

BOOKS A MILLION INC  
Form 11-K  
June 28, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK**  
**PURCHASE, SAVINGS AND SIMILAR PLANS**  
**PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission file number 0-20664

- A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**BOOKS-A-MILLION, INC.**

**401(k) PROFIT SHARING PLAN**

- B. Name of the issuer of the securities held pursuant to the Plan and the address of its principal executive office:

**Books-A-Million, Inc.**

**402 Industrial Lane**

**Birmingham, AL 35211**

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Plan Administrator

Books-A-Million, Inc. 401(k) Profit Sharing Plan

We have audited the accompanying statement of net assets available for benefits of Books-A-Million, Inc. 401(k) Profit Sharing Plan as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2011, and the changes in its net assets available for benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management. The information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

June 28, 2012

Birmingham, Alabama

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Plan Administrator of

Books-A-Million, Inc. 401(k) Profit Sharing Plan:

We have audited the accompanying statement of net assets available for benefits of Books-A-Million, Inc. 401(k) Profit Sharing Plan as of December 31, 2010. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of Books-A-Million, Inc. 401(k) Profit Sharing Plan as of December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Atlanta, Georgia

June 29, 2011

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**DECEMBER 31, 2011 AND 2010**

|   | 2011          | 2010          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Investments, at fair value  | \$ 16,757,297 | \$ 17,832,164 |
| Notes receivable from participants  | 1,204,553     | 1,193,296     |
| Participant contributions receivable  | 60,248        |               |
| Company contributions receivable  | 321,776       | 313,505       |
| Total assets  | 18,343,874    | 19,338,965    |
| <b>LIABILITIES</b>  |               |               |
| Excess contributions payable  | 101,675       | 109,977       |
| Total liabilities   | 101,675       | 109,977       |
| Net assets available for benefits, reflecting investments at fair value   | 18,242,199    | 19,228,988    |
| Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts | (63,645)      | (87,497)      |
| Net assets available for benefits   | \$ 18,178,554 | \$ 19,141,491 |

See notes to financial statements.

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|  |                |
|--|----------------|
| Additions to net assets available for benefits attributed to:    |                |
| Investment income (loss):  |                |
| Net depreciation in fair value of investments                    | \$ (1,008,253) |
| Interest and dividends   | 236,730        |
|  | (771,523)      |
| Interest income on notes receivable from participants            | 51,021         |
| Contributions:   |                |
| Company contributions  | 321,776        |
| Participant contributions  | 1,372,676      |
| Rollovers from participants                                      | 56,593         |
|  | 1,751,045      |
| Total additions, net of investment loss                          | 1,030,543      |
| Deductions from net assets available for benefits attributed to: |                |
| Distributions to participants                                    | 1,976,549      |
| Administrative expenses  | 16,931         |
| Total deductions   | 1,993,480      |
| Net decrease   | (962,937)      |
| Net assets available for benefits:                               |                |
| Beginning of year  | 19,141,491     |
| End of year  | \$ 18,178,554  |

See notes to financial statements.

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**1. DESCRIPTION OF PLAN**

The following description of the Books-A-Million, Inc. 401(k) Profit Sharing Plan (the *Plan*) provides only general information. For a more complete description of the *Plan*'s provisions, refer to the *Plan* agreement.

*General*

The *Plan* is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). All employees of Books-A-Million, Inc. and its subsidiaries (the *Company*) who have completed six consecutive months of service and have attained the age of 21 are eligible to participate in the *Plan*. Under a trust agreement effective September 12, 2003, SunTrust Bank, NA (the *Trustee*) was appointed trustee for the *Plan*.

*Contributions*

Each year, participants are allowed to make elective contributions to the *Plan*, not to exceed 15% of their eligible compensation, subject to IRS pre-tax deferral limits as defined. Participants may also make rollover contributions of amounts representing distributions from other qualified retirement plans. Participants age 50 and older may also make catch-up contributions as defined by the IRS. The *Company* may make a discretionary contribution equal to a uniform percentage or dollar amount of the participant's elective deferrals, which is determined annually. In order for participants to receive discretionary matching contributions, they must meet minimum service requirements and be actively employed as of the last day of the *Plan* year. For the *Plan* year ended December 31, 2011, the *Company*'s contributions to the *Plan* equaled a discretionary matching contribution of 50% of the first 3% of a participant's eligible compensation. All contributions are subject to certain limitations of the Internal Revenue Code.

*Participant Accounts*

Each participant's account is credited with the participant's elective contribution and any related actual earnings (losses) and annually with the *Company*'s discretionary matching contribution. Participants are also charged with an allocation of administrative expenses, if any, based on the funds invested, as defined. Participants may direct their contributions, any *Company* discretionary matching contributions and any related earnings into various investment options available under the *Plan*. The *Plan* currently offers various mutual funds, collective trust funds, money market accounts and *Company* stock. In addition, participants are allowed to change their investment elections at any time. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Vesting*

Participants are vested immediately in their contributions plus actual earnings (losses) thereon. Vesting in the *Company*'s discretionary matching contributions, plus actual earnings (losses) thereon, is based upon years of service. A participant vests 20% a year after completion of one year of service and is 100% vested after five years of credited service.

*Forfeitures*

Forfeitures are created when participants terminate employment before becoming fully vested in their benefits under the *Plan*. At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$27,251 and \$37,187, respectively. Under the terms of the *Plan* agreement, forfeitures can be used to pay *Plan* expenses or can be used to reduce future *Company* contributions to the *Plan*. During 2011, *Company* contributions were reduced by \$37,187 from forfeited nonvested accounts.



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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

*Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of \$50,000 (subject to certain restrictions and approval) or 50% of the participant's vested account balance. The loans are issued by the Plan and secured by the balance in the participant's account. Loans with a face amount less than \$2,000 must be repaid within a period of three years. All other loans must be repaid within a period of five years, unless the loan is used to purchase a principal residence, whereby the loan must be repaid within a reasonable period of time not to extend beyond 15 years. Under the terms of the Plan agreement, Plan loans will bear a reasonable rate of interest consisting of a fixed rate of interest equal to the prime rate at the loan's inception plus one percent. Principal and interest are repaid to the Plan ratably through biweekly payroll deductions.

*Payment of Benefits*

Upon separation from service with the Company due to death, disability, retirement or termination, a participant whose vested account balance exceeds \$1,000 may elect to receive either a lump-sum distribution or installment payments on a quarterly or annual basis. A participant whose vested account balance is \$1,000 or less and has not commenced receiving installment payments will automatically receive an immediate lump-sum distribution equal to their vested account balance.

*Administrative Expenses*

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping and trustee fees. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. All other administrative expenses of the Plan are paid by the Company.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The financial statements of the Plan have been prepared based on the accrual method of accounting.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

*Notes Receivable from Participants*

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2011 or 2010. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

*Investment Valuation and Income Recognition*

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), or the Codification) 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Shares of common stock are valued at the closing price reported on the active market on which the individual securities are traded. Shares of mutual funds and money market funds are valued at the quoted net asset values (NAV) of shares held by the Plan at year-end. Collective trust funds, except for the SunTrust Retirement Stable Asset Fund, are valued based on their NAV reported by the investment advisor in the financial statements of the collective trust funds at year-end. All collective trust funds provide for daily participant redemptions by the Plan at reported NAV per share, with no advance notice requirement.

*SunTrust Retirement Stable Asset Fund*

A participant's ownership of the SunTrust Retirement Stable Asset Fund (Collective Fund) is represented by units. Units are issued or redeemed at the Collective Fund's net unit value, which ordinarily represents contract value. Withdrawals initiated by the Plan will normally be provided at contract value as soon as practicable within twelve months following written notice to the trustee. The Collective Fund imposes certain restrictions on the Plan. Certain events may limit the Collective Fund's ability to transact at contract value with the Plan, including withdrawals associated with certain events that are not in the ordinary course of Collective Fund operations and that could have a material adverse effect on the Collective Fund's financial interest and certain wrap agreement termination provisions. Wrap agreements permit the Collective Fund's investment manager or issuer to terminate upon notice at any time at market value and provide for automatic termination of the wrap agreement if the book value or the market value of the agreement equals zero. Plan management believes that occurrence of events and circumstances that would cause the Collective Fund to transact at less than contract value is not probable.

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

As described in ASC 946-210-45, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount that participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made, plus earnings, less participant withdrawals and administrative expenses. The Plan invests in investment contracts through a collective trust fund. The fair value is estimated based on the fair value of the underlying investment contracts in the fund as reported by the issuer of the fund. As required under ASC 946-210-45, the Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust fund, as well as the adjustment of the investment in the collective trust fund from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

*Payment of Benefits*

Benefits are recorded when paid.

*Recent Accounting Pronouncements*

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*, (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The requirement to present changes in Level 3 measurements on a gross basis is effective for reporting periods beginning after December 15, 2010. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not have an effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in the U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurement*, to converge the fair value measurement guidance in US generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management does not believe the adoption of this ASU will have a material impact on the Plan's financial statements.

**Table of Contents****BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011****3. INVESTMENT INFORMATION**

Individual investments that represent five percent or more of the Plan's net assets available for benefits are as follows:

|  | <b>December 31</b> |              |
|--|--------------------|--------------|
|  | <b>2011</b>        | <b>2010</b>  |
| Mutual funds:  |                    |              |
| Fidelity Advisor Stock Selector All Cap Fund               | \$ 3,247,594       | \$ 3,530,453 |
| MFS Value Fund   | 1,831,560          | 2,028,302    |
| Ridgeworth Moderate Allocation Strategy Fund               | 1,198,092          | 1,233,322    |
| T. Rowe Price Retirement 2040 Fund                         | 1,400,208          | 1,269,154    |
| Collective trust funds:                                    |                    |              |
| SunTrust Retirement 500 Index Fund                         | 1,514,239          | 1,521,872    |
| SunTrust Retirement Stable Asset Fund (at contract value)* | 2,833,632          | 3,040,340    |

\* The fair value of the Plan's investment in the SunTrust Retirement Stable Asset Fund was \$2,897,277 and \$3,127,837 at December 31, 2011 and 2010, respectively.

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows:

|   | <b>December 31,</b> |
|---|---------------------|
|   | <b>2011</b>         |
| Mutual funds  | \$ (553,791)        |
| Collective trust funds                              | 80,860              |
| Company stock                                       | (535,322)           |
| Total net depreciation in fair value of investments | \$ (1,008,253)      |

**Table of Contents****BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2011****4. FAIR VALUE MEASUREMENTS**

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

| Fair Value Measurements at December 31, 2011 |  |   |  |                      |
|--|--|---|--|----------------------|
|  | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>Level 1 | Significant<br>Other<br>Observable<br>Inputs<br>Level 2 | Significant<br>Unobservable<br>Inputs<br>Level 3 | Total                |
| Company stock                                | \$ 396,755   | \$  | \$   | \$ 396,755           |
| Domestic mutual funds                        | 11,160,498   |   |  | 11,160,498           |
| International mutual funds                   | 368,445  |   |  | 368,445              |
| Stable value collective trust fund (a)       |  | 2,897,277   |  | 2,897,277            |
| Equity index collective trust fund (b)       |  | 1,514,239   |  | 1,514,239            |
| Money market fund                            | 420,083  |   |  | 420,083              |
| <b>Total investments, at fair value</b>      | <b>\$ 12,345,781</b>   | <b>\$ 4,411,516</b>                                     | <b>\$</b>  | <b>\$ 16,757,297</b> |

| Fair Value Measurements at December 31, 2010 |  |   |  |                      |
|--|--|---|--|----------------------|
|  | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>Level 1 | Significant<br>Other<br>Observable<br>Inputs<br>Level 2 | Significant<br>Unobservable<br>Inputs<br>Level 3 | Total                |
| Company stock                                | \$ 927,866   | \$  | \$   | \$ 927,866           |
| Domestic mutual funds                        | 11,461,785   |   |  | 11,461,785           |
| International mutual funds                   | 426,263  |   |  | 426,263              |
| Stable value collective trust fund (a)       |  | 3,127,837   |  | 3,127,837            |
| Equity index collective trust fund (b)       |  | 1,521,872   |  | 1,521,872            |
| Money market fund                            | 366,541  |   |  | 366,541              |
| <b>Total investments, at fair value</b>      | <b>\$ 13,182,455</b>   | <b>\$ 4,649,709</b>                                     | <b>\$</b>  | <b>\$ 17,832,164</b> |

- (a) *The stable value collective trust fund's primary investment objective is preservation of capital while also seeking a reasonable stable monthly return and a high degree of liquidity for participant withdrawals (see Note 2 for more information). For 2010, the fair value of the stable value collective trust fund was reclassified from Level 3 to Level 2 within the fair value hierarchy as the fair value of the stable value collective trust fund is determined consistent with the description of Level 2 included in Note 2. The reclassification had no impact on the valuation of the investment or on the total Net Assets Available for Benefits as of December 31, 2010.*

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- (b) *The strategy of the equity index collective trust fund is to invest in equity securities that replicate the movements of an index of a specific financial market, such as the Standard & Poor's (S&P) 500 Index. The fund is daily valued and has no significant restrictions.*

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**5. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

**6. EXCESS CONTRIBUTIONS PAYABLE**

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions.

**7. RISK AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**8. RELATED PARTY TRANSACTIONS**

Certain Plan investments are shares of mutual funds, collective trust funds and money market funds managed by SunTrust Bank, NA, the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt for the prohibited transaction rules under ERISA. The fair market value of the Company stock held as investments as of December 31, 2011 and 2010 was \$396,755 and \$927,866, respectively.

**9. INCOME TAX STATUS**

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service ( IRS ) dated March 31, 2008 stating that the form of the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code ), and therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2011-6 and 2011-49, the Plan administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype Plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2011 and December 31, 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes that the Plan is no longer subject to income tax examinations for years prior to 2008.

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The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2011</b>        | <b>2010</b>       |
| Net assets available for benefits per the financial statements                | \$ 18,178,554      | \$ 19,141,491     |
| Contributions receivable from the Company                                     | (321,776)          | (313,505)         |
| Contributions receivable from the Participants                                | (60,248)           |                   |
| Excess contributions payable  | 101,675            | 109,977           |
| Adjustment from fair value to contract value for interest in collective trust | 63,645             | 87,497            |
| <br>Net assets available for benefits per Form 5500                           | <br>\$ 17,961,850  | <br>\$ 19,025,460 |

The following is a reconciliation of investment income per the financial statements to Form 5500:

|  | <b>December 31,<br/>2011</b> |
|--|------------------------------|
| Total investment loss per the financial statements   | \$ (771,523)                 |
| Prior year adjustment from fair value to contract value for interest in collective trust   | (87,497)                     |
| Current year adjustment from fair value to contract value for interest in collective trust | 63,645                       |
| <br>Net depreciation in fair value per Form 5500   | <br>\$ (795,374)             |

The following is a reconciliation of contributions per the financial statements to Form 5500:

|  | <b>December 31,<br/>2011</b> |
|--|------------------------------|
| Total contributions per the financial statements | \$ 1,751,045                 |
| Prior year contributions receivable              | 313,505                      |
| Current year contributions receivable            | (382,024)                    |
| <br>Total contributions per Form 5500            | <br>\$ 1,682,526             |



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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

The following is a reconciliation of distributions to participants per the financial statements to Form 5500:

|  | <b>December 31,<br/>2011</b> |
|--|------------------------------|
| Total distributions to participants per the financial statements | \$ 1,976,549                 |
| Prior year excess contributions payable                          | 109,977                      |
| Current year excess contributions payable                        | (101,675)                    |
| Total distributions to participants per Form 5500                | \$ 1,984,851                 |

Amounts currently receivable by the Plan and payable to participants, dependents and beneficiaries are not recorded on the Form 5500, as the Form 5500 has been prepared based on the cash method of accounting.

**11. SUBSEQUENT EVENTS**

Management evaluated subsequent events through the financial statements issuance date of June 28, 2012.

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**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**  
**SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**EIN 63-0798460 PLAN NUMBER 001**

**DECEMBER 31, 2011**

| (a) | (b) Identity of issuer, borrower, lessor or similar party | maturity date   | (e) Current value    |
|-----|---|---|----------------------|
| *   | SunTrust Retirement 500 Index Fund                        | Collective trust  | \$ 1,514,239         |
| *   | SunTrust Retirement Stable Asset Fund                     | Collective trust  | 2,897,277            |
|     | Allianz NFJ International Value Fund                      | Mutual fund   | 368,445              |
|     | Janus Overseas Fund                                       | Mutual fund   | 1,630                |
|     | Oppenheimer Developing Market Fund                        | Mutual fund   | 21,182               |
|     | Federated Mid Cap Index Fund                              | Mutual fund   | 157,062              |
|     | Invesco Small Cap Growth Fund                             | Mutual fund   | 385,047              |
|     | Janus Enterprise Fund                                     | Mutual fund   | 49,647               |
| *   | Ridgeworth Small Capital Value Equity Fund                | Mutual fund   | 557,660              |
|     | Fidelity Advisor Stock Selector All Cap Fund              | Mutual fund   | 3,247,594            |
|     | MFS Value Fund  | Mutual fund   | 1,831,560            |
|     | T. Rowe Price Growth Stock Fund                           | Mutual fund   | 181,808              |
| *   | Ridgeworth Moderate Allocation Strategy Fund              | Mutual fund   | 1,198,092            |
|     | T. Rowe Price Retirement 2010 Fund                        | Mutual fund   | 163,177              |
|     | T. Rowe Price Retirement 2020 Fund                        | Mutual fund   | 428,575              |
|     | T. Rowe Price Retirement 2030 Fund                        | Mutual fund   | 598,844              |
|     | T. Rowe Price Retirement 2040 Fund                        | Mutual fund   | 1,400,208            |
|     | T. Rowe Price Retirement 2050 Fund                        | Mutual fund   | 38,416               |
|     | PIMCO Total Return Fund                                   | Mutual fund   | 53,465               |
| *   | Ridgeworth US Government Securities                       | Mutual fund   | 846,531              |
| *   | SunTrust Bank FDIC Insured Account                        | Money market  | 420,083              |
| *   | Books-A-Million, Inc.                                     | Common stock  | 396,755              |
|     | <b>Total investments</b>                                  |   | <b>16,757,297</b>    |
| *   | Notes receivable from participants                        | Various maturity dates<br>(interest rates ranging from<br>4.25% to 9.25%) | 1,204,553            |
|     | <b>Total assets held</b>                                  |   | <b>\$ 17,961,850</b> |

\* Represents a party-in-interest.

Column (d) has not been presented as this information is not applicable.

See accompanying independent auditors' report.



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**SIGNATURES**

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

**BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN**

Date: June 28, 2012

by: /s/ R. Todd Noden  
R. Todd Noden  
Chief Financial Officer of Books-A-Million, Inc., the Plan  
Administrator of the Books-A-Million, Inc. 401(k) Profit  
Sharing Plan

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**Exhibit Index**

|              |  |                     |
|--------------|--|---------------------|
| Exhibit 23.1 | Consent of Independent Registered Public Accounting Firm | Ernst & Young LLP.  |
| Exhibit 23.2 | Consent of Independent Registered Public Accounting Firm | Grant Thornton LLP. |