

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2013-01-11** | Period of Report: **2013-01-11**  
SEC Accession No. [0000764478-13-000002](#)

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FILER

**BEST BUY CO INC**

CIK: **764478** | IRS No.: **410907483** | State of Incorpor.: **MN** | Fiscal Year End: **0202**  
Type: **8-K** | Act: **34** | File No.: **001-09595** | Film No.: **13524145**  
SIC: **5731** Radio, tv & consumer electronics stores

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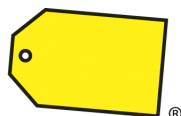
**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**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) **January 11, 2013**



**BEST BUY®**

**BEST BUY CO., INC.**

(Exact name of registrant as specified in its charter)

**Minnesota**  
(State or other jurisdiction  
of incorporation)

**1-9595**  
(Commission  
File Number)

**41-0907483**  
(IRS Employer  
Identification No.)

**7601 Penn Avenue South**  
**Richfield, Minnesota**  
(Address of principal executive offices)

**55423**  
(Zip Code)

Registrant's telephone number, including area code **(612) 291-1000**

**N/A**  
(Former name or former address, if changed since last report.)

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:

- 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))

**Item 7.01 Regulation FD Disclosure.**

On January 11, 2013, Best Buy Co., Inc. ("Best Buy" or the "registrant") issued a news release disclosing material nonpublic information regarding the registrant's revenue for the nine weeks ended January 5, 2013 (fiscal November and December). In the news release, the registrant also updated its free cash flow expectations for fiscal 2013.

The news release issued on January 11, 2013, is furnished as Exhibit 99 to this Current Report on Form 8-K. Best Buy's Annual Report to Shareholders and its reports on Forms 10-K, 10-Q and 8-K and other publicly available information should be consulted for other important information about the registrant.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that Section unless the registrant specifically incorporates it by reference in a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Some of the matters discussed in this Current Report on Form 8-K (including Exhibit 99) constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements other than those made solely with respect to historical fact and are based on the intent, belief or current expectations of the registrant and/or its management. The registrant's business and operations are subject to a variety of risks and uncertainties that might cause actual results to differ materially from those projected by any forward-looking statements. Factors that could cause such differences include, but are not limited to, the risk factors set forth in the registrant's filings with the U.S. Securities and Exchange Commission.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following is furnished as an Exhibit to this Current Report on Form 8-K.

| <b>Exhibit No.</b> | <b>Description of Exhibit</b>   |
|--------------------|---|
| 99                 | News release issued January 11, 2013 (furnished pursuant to Item 7.01). Any internet address provided in this release is for information purposes only and is not intended to be a hyperlink. Accordingly, no information at any internet address is included herein. |

## SIGNATURES

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.

BEST BUY CO., INC.  
(Registrant)

Date: January 11, 2013

By: /s/ SUSAN S. GRAFTON

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Susan S. Grafton  
Senior Vice President, Controller and Chief Accounting  
Officer



## Best Buy Announces Holiday Revenue Results

### Domestic comparable store sales flat

### Free cash flow guidance updated

MINNEAPOLIS, January 11, 2013 -- Best Buy Co., Inc. (NYSE: BBY) today announced revenue of \$12.8 billion for the nine weeks ended January 5, 2013 compared to \$12.9 billion for the nine weeks ended December 31, 2011.

#### Fiscal 2013 Holiday Revenue Summary

(\$ billion)

|                       | Revenue | Revenue %<br>Change | Comparable Store Sales % Change <sup>(1)</sup> |               |
|-----------------------|---------|---------------------|--|---------------|
|                       |         |                     | 9 weeks ended                                  |               |
|                       |         |                     | Jan. 5, 2013                                   | Dec. 31, 2011 |
| Total company         | \$ 12.8 | (0.4)               | (1.4)  | (0.4)         |
| Domestic segment      | \$ 9.9  | (1.2)               | 0.0  | 0.3           |
| International segment | \$ 2.9  | 2.2                 | (6.4)  | (3.1)         |

"One of the first priorities of our Renew Blue strategy is to stabilize and then begin improving our comparable store sales. During the most important period in the retail calendar - the holiday sales season - we were able to improve our Domestic comparable store sales trends compared to the performance of the last several quarters and continue our strong traffic growth in our online business. Our holiday selling strategy, backed by a compelling assortment, increased employee training and price match policy, allowed us to deliver these results," said Best Buy President and CEO Hubert Joly. "While it will be a journey with ups and downs, we are focused on becoming an increasingly effective multi-channel retailer and engaging with the tens of millions of consumers who shop us online and in-store," Joly added.

Best Buy's Domestic segment online channel delivered revenue of \$1.1 billion, a 10 percent revenue increase compared to the prior-year period, driven by a traffic increase. Best Buy's strong online performance was recognized by various third parties, in particular:

- ComScore indicated Best Buy was in the top three most trafficked websites for the Thanksgiving holiday and Black Friday
- Experian data ranked Best Buy as the No. 3 retail website on Cyber Monday with 9.3 million visits

Domestic comparable store sales for the period were flat. The company recorded positive comparable store sales growth in mobile phones, tablets/eReaders and appliances. In contrast, comparable store sales in entertainment, televisions and computing declined.

The International segment comparable store sales decline of 6.4 percent was driven by comparable store sales declines in Canada and China. Sales results for all countries in the International segment other than Canada are reported on a one-month lag.

### **Fiscal 2013 Financial Guidance**

Driven by solid performance in the holiday period, comparable store sales, gross margin, earnings and inventory levels continue to be in line with the assumptions that supported the company's fiscal year 2013 free cash flow<sup>2</sup> guidance provided on November 20, 2012 that was in the range of \$850 million to \$1.05 billion. Accounts payable as a percentage of inventories, however, which was assumed to be consistent with prior year, is now expected to be lower than prior year due to (1) the earlier than expected receipt, and therefore payment of, inventory purchases and (2) a shift in sales mix to higher velocity merchandise categories that carry shorter payment terms (note: overall vendor payment terms were consistent with prior year). As a result, the company now expects free cash flow for fiscal year 2013 to be approximately \$500 million. As consistent with previous guidance, this free cash flow estimate excludes the impact of previously announced restructuring activities and change in restricted cash related to working capital.

<sup>(1)</sup> Best Buy's comparable store sales is comprised of revenue at stores, call centers, and websites operating for at least 14 full months as well as revenue related to other comparable sales channels. Relocated stores, as well as remodeled, expanded, and downsized stores closed more than 14 days, are excluded from the comparable store sales calculation until at least 14 full months after reopening. Acquired stores are included in the comparable store sales calculation beginning with the first full quarter following the first anniversary of the date of the acquisition. The portion of the calculation of the comparable store sales percentage change attributable to the International segment excludes the effect of fluctuations in foreign currency exchange rates. The method of calculating comparable store sales varies across the retail industry. As a result, Best Buy's method of calculating comparable store sales may not be the same as other retailers' methods. Online revenue is included in Best Buy's same store sales calculation.

<sup>(2)</sup> Best Buy defines free cash flow as total cash provided by (used in) operating activities less additions to property and equipment. This non-GAAP financial measure assists investors in making a ready comparison of the company's expected free cash flow for the year ending February 2, 2013, against the company's results for the respective prior-year periods and against management's previously provided expectations. The company's free cash flow guidance excludes the impact of previously announced restructuring activities and includes an expected benefit from a change in restricted cash related to working capital, which is included within investing activities on the condensed consolidated statements of cash flows. This non-GAAP financial measure should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, GAAP financial measures and may differ from similar measures used by other companies.

### **Forward-Looking and Cautionary Statements:**

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect management's current views and estimates regarding future market conditions, company performance and financial results, business prospects, new strategies, the competitive environment and other events. You can identify these statements by the fact that they use words such as "anticipate," "believe," "assume," "estimate," "expect," "intend," "project," "guidance," "plan," "outlook," and other words and terms of similar meaning. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. Among the factors that could cause actual results and outcomes to differ materially from those contained in such forward-looking statements are the following: general economic conditions, changes in consumer preferences, credit market constraints, acquisitions and development of new businesses, divestitures, product availability, sales volumes, pricing actions and promotional activities of competitors, profit margins, weather, natural or man-made disasters, changes in law or regulations, foreign currency fluctuation, availability of suitable real estate locations, the company's ability to react to a disaster recovery situation, the impact of labor markets and new product introductions on overall profitability, failure to achieve anticipated benefits of announced transactions, integration challenges relating to new ventures and unanticipated costs associated with previously announced or future restructuring activities. A further list and description of these risks, uncertainties and other matters can be found in the company's annual report and other reports filed from time to time with the Securities and Exchange Commission, including, but not limited to, Best Buy's Annual Report on Form 10-K filed with the SEC on May 1, 2012. Best Buy cautions that the foregoing list of important factors is not complete, and any forward-looking statements speak only as of the date they are made, and Best Buy assumes no obligation to update any forward-looking statement that it may make.

### **About Best Buy Co., Inc.**

Best Buy Co., Inc. (NYSE: BBY) is the global leader in consumer electronics. We offer a unique promise to our large and loyal customer base including the latest devices and services; competitive prices; and the ability to shop when and where you want. Additionally, our "Blue Shirt" sales associates and Geek Squad agents are the authority on consumer electronics, delivering unbiased, knowledgeable advice hundreds of millions of times a year and offering unmatched support for the lifetime of the products we sell. Shop online at <http://www.bestbuy.com/> or stop by one of our Best Buy or Best Buy Mobile stores to touch,

test and try the latest technology. To learn more about Best Buy, visit us at <http://www.investors.bestbuy.com/>. Find us on Facebook at <https://www.facebook.com/bestbuy> and follow us on Twitter at @BestBuy.

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**BEST BUY CO., INC.**  
**REVENUE CATEGORY SUMMARY**  
(Unaudited and subject to reclassification)

**Domestic Segment Summary**

|                             | Revenue Mix Summary |               | Comparable Store Sales |               |
|-----------------------------|---------------------|---------------|------------------------|---------------|
|                             | Nine Weeks Ended    |               | Nine Weeks Ended       |               |
|                             | Jan. 5, 2013        | Dec. 31, 2011 | Jan. 5, 2013           | Dec. 31, 2011 |
| Consumer Electronics        | 36%                 | 39%           | (7.0)%                 | (3.5)%        |
| Computing and Mobile Phones | 42%                 | 36%           | 14.0 %                 | 13.7 %        |
| Entertainment               | 13%                 | 16%           | (17.8)%                | (16.3)%       |
| Appliances                  | 4%                  | 4%            | 10.7 %                 | 14.8 %        |
| Services <sup>(1)</sup>     | 4%                  | 4%            | (3.1)%                 | (3.4)%        |
| Other                       | 1%                  | 1%            | n/a                    | n/a           |
| <b>Total</b>                | <b>100%</b>         | <b>100%</b>   | <b>0.0 %</b>           | <b>0.3 %</b>  |

**International Segment Summary**

|                             | Revenue Mix Summary |               | Comparable Store Sales |               |
|-----------------------------|---------------------|---------------|------------------------|---------------|
|                             | Nine Weeks Ended    |               | Nine Weeks Ended       |               |
|                             | Jan. 5, 2013        | Dec. 31, 2011 | Jan. 5, 2013           | Dec. 31, 2011 |
| Consumer Electronics        | 26%                 | 22%           | (16.0)%                | (6.8)%        |
| Computing and Mobile Phones | 52%                 | 57%           | 0.3 %                  | 1.7 %         |
| Entertainment               | 8%                  | 7%            | (16.0)%                | (15.4)%       |
| Appliances                  | 8%                  | 8%            | (12.3)%                | 2.0 %         |
| Services <sup>(1)</sup>     | 6%                  | 6%            | 6.3 %                  | (5.7)%        |
| Other                       | <1%                 | <1%           | n/a                    | n/a           |
| <b>Total</b>                | <b>100%</b>         | <b>100%</b>   | <b>(6.4)%</b>          | <b>(3.1)%</b> |

<sup>(1)</sup> The "Services" revenue category consists primarily of service contracts, extended warranties, computer related services, product repair and delivery and installation for home theater, mobile audio and appliances.