

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2003-02-10** | Period of Report: **2003-02-10**
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FILER

NELSON THOMAS INC

CIK: **71023** | IRS No.: **620679364** | State of Incorporation: **TN** | Fiscal Year End: **0331**
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Mailing Address
P O BOX 141000
NASHVILLE TN 37214-1000

Business Address
501 NELSON PLACE
NASHVILLE TN 37214-1000
6158899000

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):
February 10, 2003 (February 10, 2003)

Thomas Nelson, Inc.

(Exact Name of Registrant as Specified in Charter)

Tennessee

0-4095

62-0679364

(State or other (Commission File Number) (I.R.S. Employer Identification No.)
Jurisdiction of
Incorporation)

501 Nelson Place
Nashville, Tennessee

37214-1000

(Address of Principal
Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 615/889-9000

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits:

Item 9. Regulation FD Disclosure

A press release issued by Thomas Nelson, Inc. on February 10, 2003 is attached hereto as Exhibit 99.

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.

THOMAS NELSON, INC.

By: /s/ Joe L. Powers

Name: Joe L. Powers

Title: Executive Vice President

Date: February 10, 2003

INDEX TO EXHIBITS

Exhibit
Numbers

99 News Release, February 10, 2003.

EXHIBIT 99

NEWS RELEASE

DATE: FEBRUARY 10, 2003
CONTACT: JOE L. POWERS
EXECUTIVE VICE PRESIDENT
P.O. BOX 141000, NASHVILLE, TN 37214-1000
WEBSITE: www.thomasnelson.com
PHONE: (615) 902-1300
FAX: (615) 883-6353

THOMAS NELSON INCREASES PROFIT BY 33% DESPITE A DECLINE IN
NET REVENUES FOR THE THIRD QUARTER

Nashville, TN, February 10, 2003 - Thomas Nelson, Inc. (NYSE: TNM) today announced its results for the third quarter of fiscal 2003:

For the three months ended December 31, 2002, the Company's net revenues were \$53.8 million compared to \$61.2 million last year, a decline of \$7.4 million or 12%. Income from continuing operations was \$2.5 million compared to \$1.9 million in the previous year's quarter, an increase of \$611,000 or 33%. Income per share from continuing operations was \$0.17 versus \$0.13, an increase of 31%.

For the nine month period ended December 31, 2002, net revenues were \$157.0 million compared to \$165.3 million in the previous year, down \$8.3 million or 5%. Income from continuing operations was \$6.9 million compared to \$5.7 million in the previous year's period, an increase of \$1.2 million or 21%. Income per share from continuing operations was \$0.48 versus \$0.40, a 20% increase over last year's nine month period. Net income was \$6.9 million compared to a net loss of \$50.2 million during the same period last year. The loss recorded last year resulted from discontinued operations and the cumulative effect of a change in accounting principle related to the write-down of goodwill associated with those discontinued operations.

Financial Condition at December 31, 2002 is stronger than a year ago, and stronger than at March 31, 2002. Debt has been reduced from \$68 million as of December 31, 2001 to \$40.3 million at December 31, 2002, a reduction of \$27.7 million or 41%. \$16.1 million of this amount has been paid down since March 31, 2002. Total assets employed have been reduced by \$25.7 million from last year, primarily through reductions in inventories and the collection of accounts receivable and tax refunds. Shareholders' equity has increased by \$7.8 million or 10%.

"Once again, unfavorable business conditions challenged our coping skills, and I think we performed creditably in the third quarter," noted Sam Moore, Chairman and Chief Executive Officer. "Our net income showed a positive year-to-year comparison in the quarter, in part because in last year's period we booked a significant charge when we fully reserved our Kmart receivable of \$4.4 million. \$1.3 million of this charge was reversed in the fourth quarter of last fiscal year in conjunction with the sale of the receivable," Mr. Moore stated.

Mr. Moore said, "We have experienced more and more of our sales coming from fewer of our authors. In a competitive environment where consumers are overwhelmed with choices, they tend to reach for the authors and brand names they know and trust. This is as true with books and Bibles as it is for other consumer products. Therefore, as we have recently announced, we have realigned the Company structure with our basic business strategy to develop more products with our established author brands and to begin to identify and build the emerging author brands of the future. As a result, we intend to publish fewer, but better performing titles. This strategy will enable us to better serve our authors and customers, streamline our operations and reduce our operating overhead. The streamlining has resulted in the net elimination of approximately 30 employee positions in the Company. I have every confidence that this strategy will result in the Company being stronger than ever, in terms of financial and competitive positions."

This news release includes certain forward-looking statements. Actual results could differ materially from those reflected by the forward-looking statements and a number of factors may affect future results, liquidity and capital resources. These factors include, but are not limited to, softness in the general retail environment, the timing of products being introduced to the market, the level of product returns experienced, the level of margins achievable in the marketplace, the collectibility of accounts receivable, the recoupment of royalty advances, the effects of acquisitions or dispositions, the financial condition of our customers and suppliers, the realization of inventory values at carrying amounts, our access to capital and the realization of income tax and intangible assets. Future revenue and margin trends cannot be reliably predicted and may cause the Company to adjust its business strategy during the remaining portion of the 2003 fiscal year. The Company disclaims any intent or obligation to update forward-looking statements.

Thomas Nelson, Inc. will host a conference call related to this earnings release at 1:30 CST on Tuesday, February 11, 2003. Individuals may listen to the call by dialing (719) 457-2727. The confirmation number for the call is 793319. The live broadcast of Thomas Nelson's quarterly conference call will be available online by going to www.thomasnelson.com and clicking on the link to News and at www.streetevents.com. The online replay will be available shortly after the call and continue through February 18, 2003.

Thomas Nelson, Inc. is a leading publisher, producer and distributor of products emphasizing Christian, inspirational and family value themes and believes it is the largest publisher of Bibles and inspirational products in the English language. For more information, visit our website

Thomas Nelson's Common stock and Class B Common stock are listed on the New York Stock Exchange (TNM-NYSE).

<TABLE>

Thomas Nelson, Inc. & Subsidiaries
Consolidated Statements of Operations
(000's omitted except per share data, unaudited)

<CAPTION>

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Net revenues	\$53,774	\$61,167	\$157,020	\$165,291
Costs and expenses:				
Cost of goods sold	32,646	36,297	95,240	99,225
Selling, general & administrative	15,986	19,837	46,974	51,590
Depreciation & amortization	444	823	1,567	2,093
	-----	-----	-----	-----
Total expenses	49,076	56,957	143,781	152,908
	-----	-----	-----	-----
Operating income	4,698	4,210	13,239	12,383
Other income	27	50	102	125
Interest expense	792	1,208	2,382	3,330
	-----	-----	-----	-----
Income from continuing operations				
before income taxes	3,933	3,052	10,959	9,178
Provision for income taxes	1,436	1,114	4,000	3,350
Minority interest	11	63	49	119
	-----	-----	-----	-----
Income from continuing operations	2,486	1,875	6,910	5,709
Discontinued operations:				
Operating loss, net of taxes	-	-	-	(766)
Loss on disposal, net of taxes	-	-	-	(14,707)
	-----	-----	-----	-----
Total loss from discontinued operations	-	-	-	(15,473)
	-----	-----	-----	-----
Cumulative effect of change in accounting principle	-	-	-	(40,433)
	-----	-----	-----	-----
Net income (loss)	\$ 2,486	\$ 1,875	\$ 6,910	\$ (50,197)
	=====	=====	=====	=====
Weighted average number of shares				
Basic	14,369	14,343	14,368	14,343
	=====	=====	=====	=====

Diluted	14,475	15,103	14,613	15,014
	=====	=====	=====	=====
Net income (loss) per share, Basic:				
Income from continuing operations	\$ 0.17	\$ 0.13	\$ 0.48	\$ 0.40
Loss from discontinued operations	-	-	-	(1.08)
Cumulative effect of change in accounting principle	-	-	-	(2.82)
	-----	-----	-----	-----
Net income (loss) per share	\$ 0.17	\$ 0.13	\$ 0.48	\$ (3.50)
	=====	=====	=====	=====
Net income (loss) per share, Diluted:				
Income from continuing operations	\$ 0.17	\$ 0.12	\$ 0.47	\$ 0.38
Loss from discontinued operations	-	-	-	(1.03)
Cumulative effect of change in accounting principle	-	-	-	(2.69)
	-----	-----	-----	-----
Net income (loss) per share	\$ 0.17	\$ 0.12	\$ 0.47	\$ (3.34)
	=====	=====	=====	=====

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<TABLE>

Thomas Nelson, Inc. & Subsidiaries
Consolidated Balance Sheets
(000's omitted, unaudited)

<CAPTION>

	December 31,	
	2002	2001
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash & cash equivalents	\$ 1,959	\$ 659
Accounts receivable, less allowances of \$8,863 and \$13,315, respectively	54,873	64,434
Inventories	37,987	44,622
Prepaid expenses	13,423	16,402
Assets held for sale	2,500	2,500
Refundable income taxes	-	5,450
Deferred income tax benefits	7,966	12,876
	-----	-----
Total current assets	118,708	146,943
Property, plant & equipment, net	11,203	11,314
Other assets	8,421	6,259
Deferred charges	1,727	1,290
Goodwill	29,304	29,304
	-----	-----
Total Assets	\$169,363	\$195,110

LIABILITIES & SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 23,318	\$ 21,328
Accrued expenses	9,453	19,726
Deferred revenue	6,805	5,638
Income taxes currently payable	3,330	528
Current portion of long-term debt	3,322	4,163
	-----	-----
Total current liabilities	46,228	51,383
Long term debt	36,930	63,853
Deferred tax liability and other liabilities	1,655	3,083
Minority interest	49	119
Shareholders' equity	84,501	76,672
	-----	-----
Total Liabilities & Shareholders' Equity	\$169,363	\$195,110
	=====	=====

</TABLE>