

BEST BUY CO INC

FORM 8-K (Current report filing)

Filed 10/08/09 for the Period Ending 10/08/09

Address	7601 PENN AVE SOUTH RICHFIELD, MN 55423
Telephone	6122911000
CIK	0000764478
Symbol	BBY
SIC Code	5731 - Radio, Television, and Consumer Electronics Stores
Industry	Retail (Technology)
Sector	Services
Fiscal Year	02/03

**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) **October 8, 2009**



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))
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ITEM 7.01 Regulation FD Disclosure

On October 8, 2009, The Carphone Warehouse Group PLC (“CPW”) released its trading statement for its second quarter of fiscal 2010. In the news release, CPW reported the fiscal second quarter highlights and reiterated its strategic and financial goals for Best Buy Europe, a venture between Best Buy Co., Inc. (“Best Buy” or the “registrant”) and CPW, which is owned 50% by the registrant. The news release issued by CPW on October 8, 2009, is furnished as Exhibit No. 99 to this Current Report on Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 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 or the Securities Exchange Act of 1934.

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 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 SEC.

ITEM 9.01 Exhibits

(d) The following exhibit is furnished as an exhibit to this report.

Number	Description
99	News release issued by The Carphone Warehouse Group PLC dated October 8, 2009

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: October 8, 2009

By: /s/ SUSAN S. GRAFTON
Susan S. Grafton
Vice President, Controller and Chief Accounting Officer



Thursday 8 October 2009

For immediate release

Q2 Trading Update

The Carphone Warehouse Group PLC

The Carphone Warehouse Group PLC today announces its second quarter trading update.

Financial Guidance :

- **All existing financial guidance for March 2010 re-iterated**

TalkTalk Group :

- **Growing momentum with 77,000 net new broadband subscribers (pre Tiscali)**
 - **Tiscali broadband net reduction of 62,000 subscribers**
- **Total TalkTalk Group 15,000 net new broadband subscribers (including Tiscali)**

Best Buy Europe :

- **Robust connections growth up 2.0% year-on-year, despite tough previous year comparatives**

Demerger :

- **Demerger on track for end of March 2010**

Charles Dunstone, Chief Executive Officer, said:

“Both TalkTalk Group and Best Buy Europe are continuing to trade well, and we are therefore re-iterating all the financial guidance we have given for the full year to March 2010. In addition, our planned demerger is progressing at pace.”

“TalkTalk Group is continuing its growth momentum with TalkTalk’s value proposition and strong customer service clearly appealing to customers. Excluding Tiscali, TalkTalk Group added a higher than expected 77,000 net new broadband customers. This follows the 47,000 net new customers added in the first quarter and, at the same time, churn continues to show a marked reduction year-on-year.”

“Tiscali’s broadband customer base fell by 62,000 during the period, which was broadly in line with our expectations, with the churn rate improving as the quarter progressed due to better customer retention activity.”

“As part of the completion process for the Tiscali acquisition, there is a mechanism for adjusting the consideration paid for the actual number of customers acquired on completion compared to the indicative customer base reported by Tiscali S.p.A. On the basis of the definition of customers in the acquisition agreement, we anticipate the adjustment required will be a reduction of 160,000 customers, who are predominantly broadband customers. The consequential true up payment due to us will be made from funds currently held in escrow.”

“We nevertheless remain confident that TalkTalk Group will end the current financial year with a total broadband base of between 4.1m and 4.2m customers and thus maintain the guidance we announced in June this year.”

“In parallel, Best Buy Europe, the retail and distribution business in which we have a 50% share, also performed well. Despite an overall subdued handset market and tough year-on-year comparatives, due to the introduction of the 3G iPhone last July, we grew total connections by 2.0%.”

“We remain convinced that separating TalkTalk Group and Best Buy Europe will enable the worth and potential of each business to be more appropriately evaluated. We have made marked progress on a number of outstanding issues and we are increasingly confident of achieving the demerger by the end of March next year.”

TalkTalk Group

TalkTalk Group enjoyed a stronger than expected quarter for customer growth. We added 77,000 net new customers during the quarter across the TalkTalk and AOL brands taking their combined customer base to 2.93m. Tiscali's broadband customer base reduced in line with our expectations, with net customer losses of 62,000 in the quarter.

We continued to provision TalkTalk customers (including AOL) onto our unbundled network, with another 75,000 added in the quarter, taking our total unbundled TalkTalk base to 2.32m or 79% of the total base. At the end of the quarter, approximately 51% of the Tiscali customer base was unbundled, leaving significant opportunity to migrate more of their customers onto our integrated network and drive material post acquisition synergies.

During the quarter, our non-broadband base (excluding Tiscali) of voice-only and narrowband customers declined as expected, by 60,000 (last year 137,000) to 1.00m. The improving rate of decline year-on-year reflects the loyalty of the customer base and the reducing mix of narrowband customers in the non-broadband base. The Tiscali non-broadband base declined by 32,000 in the quarter in line with expectations, due to the higher percentage of narrowband customers within the opening base.

Best Buy Europe

Connections growth at Best Buy Europe of 2.0% year-on-year to 3.17m also represented a robust performance. During the quarter, the handset market has remained subdued, but we continued to gain market share in a number of European markets especially within the high value smartphone segment. Given the tough comparisons on last year, with the introduction of the 3G iPhone in July 2008, we believe our overall connections performance was commendable.

Best Buy Europe remains fully on course to open its first “Big Box” stores in Spring 2010, and we are making strong progress on finalising further store openings next year.

In the US, Best Buy Mobile continues its very strong development and we remain confident in the significant contribution we expect from this business in the current financial year.

Conference Call

There will be a conference call for investors and analysts at 9.00 am this morning. The dial-in number is +44 20 3037 9107, with a Freephone number of 1 866 966 5335 for US callers. A replay will be available for seven days, for which the dial-in number is +44 20 8196 1998, or Freephone 1 866 583 1039 from the USA. The access code is 897311. The conference call will also be webcast at www.cpwplc.com.

Next Trading Update

The Group will publish its interim results on Friday 27 November 2009.

For Further Information

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Operating statistics

TalkTalk Group customer bases

(000s)	As at 30 September 2009		
	2009	2008	% change
TalkTalk broadband base (including AOL)	2,930	2,788	5%
Tiscali broadband base	1,339	—	
Opening base adjustment	(150)	—	
TalkTalk Group broadband base*	4,119	2,788	48%

* TalkTalk Group's broadband base excludes the Tiscali wholesale base.

TalkTalk unbundled broadband base (including AOL)	2,320	2,027	14%
% TalkTalk unbundled broadband base	79%	73%	
% Tiscali unbundled broadband base	51%	—	
TalkTalk non-broadband customer base (including AOL)	1,001	1,325	(24)%
Tiscali non-broadband base	208	—	
Opening base adjustment	(10)	—	
TalkTalk Group non-broadband base	1,199	1,325	(10)%

Best Buy Europe connections and store numbers

	13 weeks to 3 October 2009		
	2009	2008	% change
Connections (000s)	3,169	3,105	2%

	26 weeks to 3 October 2009		
	2009	2008	% change
Connections (000s)	5,884	5,744	2%
Own stores	2,236	2,209	1%
Franchises	223	221	1%
Total stores	2,459	2,430	1%