

BEST BUY CO INC

FORM 8-K (Current report filing)

Filed 05/09/12 for the Period Ending 05/09/12

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**

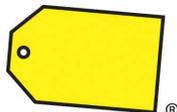
Washington, D.C. 20549

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) **May 9, 2012**



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))
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Item 7.01 Regulation FD Disclosure.

On May 9, 2012, Carphone Warehouse Group plc (“CPW”) released its trading statement for its fiscal fourth quarter ended March 31, 2012. In the news release, CPW reported its fiscal fourth quarter financial results and outlook, which included financial results of Best Buy Europe, a venture between Best Buy Co., Inc. (“Best Buy” or the “registrant”) and CPW, which is owned 50% by the registrant. Figures for Best Buy Europe are presented by CPW in accordance with International Financial Reporting Standards and do not reflect accounting principles generally accepted in the United States of America (“US GAAP”) or include purchase accounting applied by the registrant. As such, the figures presented by CPW for Best Buy Europe do not necessarily reflect the results that will be reported by the registrant in its consolidated statements of earnings. The registrant will report the results of Best Buy Europe in accordance with US GAAP for the 13 weeks ended March 31, 2012, within its fiscal 2013 first quarter results, as Best Buy Europe is consolidated on a one-month reporting lag. It is the registrant's policy to accelerate recording the effect of significant intervening events occurring in the lag period that materially affect its consolidated financial statements. As such, the registrant's quarterly results, which include the results of Best Buy Europe in accordance with US GAAP, may differ from those reported by CPW due to the impact of recording these intervening events.

The news release issued by CPW on May 9, 2012, 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 U.S. 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 U.S. Securities Act of 1933, as amended, or the U.S. Securities Exchange Act of 1934, as amended.

The registrant’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.

Some of the matters discussed in this Current Report on Form 8-K (including Exhibit No. 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 CPW, 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 SEC.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following is furnished as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99	News release issued by Carphone Warehouse Group plc dated May 9, 2012. Any internet addresses provided in this release are for information purposes only and are not intended to be hyperlinks. Accordingly, no information in any of these internet addresses 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: May 9, 2012

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

CARPHONE WAREHOUSE GROUP PLC

Wednesday 9 May 2012

Embargoed until 7am

Carphone Warehouse Group plc

Q4 Trading Update 2011-12

Reiterating Full Year Headline Earnings Guidance

- **CPW Europe**
 - **Growth in Q4 UK postpay volumes year-on-year and continued momentum in non-cellular revenue**
 - **Continued weakness in lower value prepay market resulting in total Q4 LFL revenue down by 5.5%, in line with expectations**
- **Virgin Mobile France**
 - **Q4 revenue growth of 21%**
 - **Postpay customer growth resumed in March**
- **Proceeds of £813 million from the disposal of Best Buy Mobile returned to shareholders**
- **Full year Headline earnings expected to be in line with previous guidance**

Roger Taylor, CEO, said:

“We expect to deliver full year profits for CPW Europe in line with guidance, despite the market shift from 18 to 24 month contracts, a material decline in the prepay market and a tough consumer environment. Pressure on network ARPUs as a result of regulation and the challenging consumer environment will continue. Against this, however, as the shift from 18 to 24 month contracts completes, we are starting to enjoy material benefits from our new contract terms with the network operators. We are also seeing continued payback from our investment in the roll-out of our Wireless World store format, as well as continued momentum in non-cellular product categories where we see real opportunity. Although the prepay market remains weak, we have some reason to be more optimistic about the increasing presence of smartphones in this segment in the year ahead.

Virgin Mobile France has been robust against the increased competition, seeing a return to postpay customer growth in March and delivering significant revenue growth for the quarter. Having agreed a 'full MVNO' contract with both Orange and SFR, the business can now progressively move its customer base onto this platform, bringing significant benefits. The recent launch of quad-play also provides a potentially new strategic opportunity and value-driver.”

CPW Europe (50% JV with Best Buy Co., Inc)

We grew postpay volumes in the UK and the Carphone Warehouse network price promise helped us gain share in the upgrade segment. Q4 saw similar trends to Q3, with continued weakness in the prepay market. We estimate that the overall prepay market in Q4 was down 30-40% in the UK, similar to Q3, driven by a lack of attractively-priced smartphone products in this segment, and a weak consumer environment. As a result, total like-for-like revenue followed the pattern of Q3, down 5.5%, with total connections down 19%. The consumer environment continues to be challenging in some of our mainland European markets. We are therefore focusing on scale, structure and strong cost control to help mitigate these challenges.

We see expansion into the non-cellular product category as a real opportunity as we further develop the 'connected world' offering. At present, non-cellular is still a very small part of overall revenue, yet the potential for growth presented by tablets, accessories, applications and content is significant. Last month we launched an exciting new range of smartphone and tablet accessories that work specifically with apps, named App-cessories. The range is available online and dedicated App-cessory areas are now present in selected stores, with plans for a further 150 stores across the UK in time for summer. This new range of products provides further reasons to come into our stores and encourages increased penetration within the smartphone and tablet categories.

We continue to roll out the successful Wireless World format and had 392 stores across the group as at the end of March 2012 (2011: 106). We anticipate that the large majority of UK stores will be in the new format within the next 2 to 3 years. Within this format we continue to see a promising uptake of the Geek Squad proposition, not only in assurance products but also in service capabilities in-store.

All the leases on the Best Buy UK 'Big Box' stores have now been assigned or are under option, and the majority of employees have been offered alternative roles within the business. Full year losses and exit costs are expected to be broadly in line with previous guidance.

Virgin Mobile France (47% JV with Virgin Group)

Virgin Mobile France had a successful quarter, with revenue growth of 21% reflecting year-on-year postpay growth and the first impact of termination revenues. Faced with increased levels of competition in the French market since early January, the business proved to be resilient. Approximately 70% of the Virgin Mobile France customer base is postpay, and whilst on a net basis we lost customers in January and February, by March we had resumed growth in the postpay segment. In total we lost 24,000 postpay customers during Q4 and 58,000 prepay customers (of which around 75% were inactive). As at the end of March 2012 the customer base was flat year-on-year at 1,917,000.

Going forward, the full MVNO platform with Orange and SFR will provide increased flexibility and reduced costs, as well as enabling us to enhance our consumer proposition. Virgin Mobile France also announced recently the launch of a new quad-play offer. Whilst still in its early stages, we are anticipating that this offer will attract and retain a higher value customer as we further develop our reach into the French market.

Global Connect

Best Buy Co., Inc. recently announced that it plans to have six Best Buy Mobile SWAS stores within Five Star in China by July 2012, with another eight stores planned for August. Under the Global Connect Agreement, CPW Group plc is entitled to a 20% share in incremental earnings from these SWAS stores.

Plans for new territories are currently being developed and we will make announcements on these plans in due course.

Transactions with Best Buy Co., Inc.

Shareholder approval for the disposal of our interest in Best Buy Mobile US was obtained during the quarter, with a return of £1.72 per share (totalling £813 million) to shareholders now completed.

Outlook

Looking ahead, we do not expect any significant changes in the opportunities and challenges facing the mobile industry, nor do we anticipate any change in the economic environment. However the benefit of our positioning in the connected world, the continued focus on our newly designed store format, a wider product and service proposition, and strong relationships with network partners, mean we face the future in robust shape. In Virgin Mobile France, we remain confident in our ability to grow revenue, to increase the value of our customers and to strengthen our position in the French market.

Conference call

There will be a conference call for investors and analysts at 9.00 am this morning. The call will also be broadcast on our website, www.cpwplc.com.

Dial-in details - UK/International: +44(0)20 3450 9987, USA: +1 646 254 3361, passcode 4512333.

A replay will be available until midnight, 16 May 2012.

Replay dial-in details - UK/International +44(0)20 7111 1244, USA +1 347 366 9565, passcode 4512333#.

Next announcement

The Group will publish its preliminary results for the year to 31 March 2012 on Thursday 14 June 2012, when it will also give guidance for the year to March 2013.

For further information

For analyst and institutional enquiries

Roger Taylor, CEO **07715 170 090**

Nigel Langstaff, CFO **07802 210 248**

Kate Ferry, IR Director **07748 933 206**

For media enquiries

Shane Conway, Head of PR, Best Buy Europe **07932 199 659**

Anthony Carlisle (Citigate Dewe Rogerson) **07973 611 888**

020 7638 9571

Further operating information

CPW Europe (100% basis)

Revenue	13 weeks to 31 March 2012			52 weeks to 31 March 2012		
Like-for-like	(5.5)%			(4.6)%		

Connections (000s)	13 weeks to 31 March 2012			52 weeks to 31 March 2012		
	2012	2011	% change	2012	2011	% change
CPW Europe*	2,022	2,496	(19.0)%	9,780	11,359	(13.9)%

*Excluding Phone House Belgium and Best Buy UK, which were respectively sold and closed during the year.

Store numbers

CPW Europe	At 31 March 2012		
	2012	2011	% change
Own stores			
- Continuing business	2,055	2,103	(2.3)%
- Phone House Belgium	—	83	
Franchises	338	243	39.1 %
Total stores	2,393	2,429	(1.5)%

Virgin Mobile France (100% basis)

Customer base (000's)	At 31 March 2012		
	2012	2011	% change
Customer base (000's)	1,917	1,917	—

Revenue (€'m)	3 months to 31 March 2012			12 months to 31 March 2012		
	2012	2011	% change	2012	2011	% change
Revenue (€'m)	125	104	20.7%	453	386	17.5%