

PAPA JOHNS INTERNATIONAL INC
Form 10-Q
August 01, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 25, 2006

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-21660

PAPA JOHN S INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

61-1203323

(I.R.S. Employer Identification
number)

2002 Papa Johns Boulevard

Louisville, Kentucky 40299-2334

(Address of principal executive offices)

(502) 261-7272

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Edgar Filing: PAPA JOHNS INTERNATIONAL INC - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes
 No

At July 26, 2006, there were outstanding 31,924,603 shares of the registrant's common stock, par value \$.01 per share.

INDEX

<u>PART I.</u>	<u>FINANCIAL INFORMATION</u>
<u>Item 1.</u>	<u>Financial Statements</u>
	<u>Condensed Consolidated Balance Sheets</u> <u>June 25, 2006 and December 25, 2005</u>
	<u>Consolidated Statements of Income Three Months and Six Months Ended June 25, 2006 and June 26, 2005</u>
	<u>Consolidated Statements of Stockholders Equity Six Months Ended June 25, 2006 and June 26, 2005</u>
	<u>Consolidated Statements of Cash Flows Six Months Ended June 25, 2006 and June 26, 2005</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>
<u>PART II.</u>	<u>OTHER INFORMATION</u>
<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>
<u>Item 6.</u>	<u>Exhibits</u>

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****Papa John's International, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets**

	June 25, 2006 (Unaudited)	December 25, 2005 (Note)
(In thousands)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,494	\$ 22,098
Accounts receivable	21,371	21,300
Inventories	24,444	26,030
Prepaid expenses and other current assets	12,501	13,456
Deferred income taxes	7,117	7,085
Assets of discontinued operations held for sale		2,039
Total current assets	75,927	92,008
Investments	3,765	6,282
Net property and equipment	179,983	178,447
Notes receivable	11,443	7,667
Deferred income taxes	927	1,899
Goodwill	41,306	41,878
Other assets	16,815	13,772
Assets of discontinued operations held for sale		8,609
Total assets	\$ 330,166	\$ 350,562
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 25,228	\$ 28,937
Income and other taxes	16,432	16,862
Accrued expenses	50,889	49,634
Current portion of debt	9,900	6,100
Total current liabilities	102,449	101,533
Unearned franchise and development fees	6,509	7,256
Long-term debt, net of current portion	35,514	49,016
Other long-term liabilities	27,752	31,478
Stockholders' equity:		
Preferred stock		
Common stock	338	331
Additional paid-in capital	176,420	160,999
Accumulated other comprehensive income (loss)	1,405	(290)
Retained earnings	31,507	239
Treasury stock	(51,728))
Total stockholders' equity	157,942	161,279
Total liabilities and stockholders' equity	\$ 330,166	\$ 350,562

Note: The balance sheet at December 25, 2005 has been derived from the audited consolidated financial statements at that date but does not include all information and footnotes required by accounting principles generally accepted in the United States for a complete set of financial statements.

See accompanying notes.

2

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2006	June 26, 2005	June 25, 2006	June 26, 2005
(In thousands, except per share amounts)				
Domestic revenues:				
Company-owned restaurant sales	\$ 105,424	\$ 110,558	\$ 212,164	\$ 221,272