

NEIMAN MARCUS GROUP INC
Form 424B3
June 08, 2006

PROSPECTUS SUPPLEMENT
(To Prospectus dated June 5, 2006)

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-133186

The Neiman Marcus Group, Inc.

Offer to Exchange

\$700,000,000 principal amount of our 9%/93/4% Senior Notes due 2015
\$500,000,000 principal amount of our 103/8% Senior Subordinated Notes due 2015

Recent Developments

We have attached to this prospectus supplement the Quarterly Report on Form 10-Q of Neiman Marcus, Inc. for the period ended April 29, 2006. The attached information updates and supplements The Neiman Marcus Group, Inc.'s Prospectus dated June 5, 2006.

You should carefully consider the risk factors beginning on page 23 of the Prospectus before investing.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

June 8, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

ý **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended April 29, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file no. 333-133184-12

Neiman Marcus, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-3509435
(I.R.S. Employer
Identification No.)

**1618 Main Street
Dallas, Texas 75201**
(Address of principal executive offices)

(214) 743-7600
(Registrant's telephone number, including area code)

Edgar Filing: NEIMAN MARCUS GROUP INC - Form 424B3

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.(1).

YES NO

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.

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

There were 900 shares of the registrant's common stock, par value \$.01 per share, outstanding at April 29, 2006.

(1) The registrant became subject to reporting requirements under the Exchange Act of 1934 on June 5, 2006.

NEIMAN MARCUS, INC.

INDEX

Part I.	Financial Information
<u>Item 1.</u>	<u>Condensed Consolidated Balance Sheets as of April 29, 2006 (Successor), July 30, 2005 (Predecessor) and April 30, 2005 (Predecessor)</u>
	<u>Condensed Consolidated Statements of Earnings for the Thirteen Weeks Ended April 29, 2006 (Successor) and Thirteen Weeks Ended April 30, 2005 (Predecessor)</u>
	<u>Condensed Consolidated Statements of Earnings for the Thirty Weeks Ended April 29, 2006 (Successor), Nine Weeks Ended October 1, 2005 (Predecessor) and Thirty-Nine Weeks Ended April 30, 2005 (Predecessor)</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Thirty Weeks Ended April 29, 2006 (Successor), Nine Weeks Ended October 1, 2005 (Predecessor) and Thirty-Nine Weeks Ended April 30, 2005 (Predecessor)</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>
<u>Signatures</u>	

NEIMAN MARCUS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands)	April 29, 2006 (Successor)	July 30, 2005 (Predecessor)	April 30, 2005 (Predecessor)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 108,982	\$ 853,482	\$ 337,589
Restricted cash			37,500
Accounts receivable, net of allowance	56,744	29,886	666,455
Merchandise inventories	854,979	748,366	788,915
Other current assets	64,700	76,747	49,715
Total current assets	1,085,405	1,708,481	1,880,174
Property and equipment, net	1,045,184	855,009	821,810
Customer lists, net	554,650		
Favorable lease commitments, net	469,591		
Trademarks	1,691,155	56,645	56,645
Goodwill	1,681,021	14,872	14,872
Debt issuance costs	101,034	3,526	3,656
Other assets	31,974	22,127	62,649
Total assets	\$ 6,660,014	\$ 2,660,660	\$ 2,839,806
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 251,444	\$ 282,887	\$ 246,971
Accrued liabilities	389,756	332,937	352,526
Notes payable and current maturities of long-term liabilities	15,129	1,450	200
Current portion of borrowings under Credit Card Facility			187,500
Total current liabilities	656,329	617,274	787,197
Long-term liabilities:			
Senior secured term loan facility	1,875,000		
Senior debentures due 2028	120,663	124,823	124,820
Senior notes	700,000		
Senior subordinated notes	500,000		
Senior notes due 2008		124,957	124,953
Deferred real estate credits	11,099	86,575	74,429
Deferred income taxes	1,129,899		33,614
Other long-term liabilities	186,169	120,973	99,500
Total long-term liabilities	4,522,830	457,328	457,316
Minority interest	12,810	12,112	13,498
Predecessor:			
Common stocks (par value \$0.01 per share, issued 49,716,309 shares at July 30, 2005 and 48,947,578 shares at April 30, 2005)		497	497
Successor:			
Common stock (par value \$0.01 per share, issued 1,012,264 shares)	10		
Additional paid-in capital	1,473,129	520,414	511,338

Edgar Filing: NEIMAN MARCUS GROUP INC - Form 424B3

Carryover basis adjustment for management shareholders	(69,200)			
Accumulated other comprehensive income (loss)	9,666	(47,030)		(3,432)
Retained earnings	54,440	1,125,726		1,099,053
Treasury stock, at cost (768,731 shares at July 30, 2005 and 768,731 shares at April 30, 2005)		(25,661)		(25,661)
Total shareholders' equity	1,468,045	1,573,946		1,581,795
Total liabilities and shareholders' equity	\$ 6,660,014	\$ 2,660,660	\$	2,839,806

See Notes to Condensed Consolidated Financial Statements.

NEIMAN MARCUS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(UNAUDITED)

(in thousands)	Thirteen weeks ended April 29, 2006 (Successor)	Thirteen weeks ended April 30, 2005 (Predecessor)
Revenues	\$ 1,027,009	\$ 933,372
Cost of goods sold including buying and occupancy costs (excluding depreciation)	602,957	549,740
Selling, general and administrative expenses (excluding depreciation)	255,380	240,396
Income from credit card operations, net	(15,136)	(19,030)
Depreciation expense	32,913	27,614
Amortization of customer lists	13,715	
Amortization of favorable lease commitments	4,502	
Operating earnings	132,678	134,652
Interest expense, net	67,216	2,933
Earnings before income taxes and minority interest	65,462	131,719
Income taxes	24,953	50,713
Earnings before minority interest	40,509	81,006
Minority interest in net loss (earnings) of subsidiaries	38	(1,231)
Net earnings	\$ 40,547	\$ 79,775

See Notes to Condensed Consolidated Financial Statements.

Edgar Filing: NEIMAN MARCUS GROUP INC - Form 424B3

(in thousands)	Thirty weeks ended April 29, 2006 (Successor)	Nine weeks ended October 1, 2005 (Predecessor)	Thirty-nine weeks ended April 30, 2005 (Predecessor)
Revenues	\$ 2,583,215	\$ 651,648	\$ 2,970,533
Cost of goods sold including buying and occupancy costs (excluding depreciation)	1,634,187	378,767	1,816,602
Selling, general and administrative expenses (excluding depreciation)	623,972	168,853	747,432
Income from credit card operations, net	(35,894)	(7,818)	(52,414)
Depreciation expense	77,977	19,960	79,338
Amortization of customer lists	31,652		
Amortization of favorable lease commitments	10,389		
Transaction and other costs		23,544	
Loss on disposition of Chef's Catalog			15,348
Operating earnings	240,932	68,342	364,227
Interest expense (income), net	150,626	(866)	10,948
Earnings before income taxes and minority interest			