

OFFICEMAX INC  
Form 10-Q/A  
March 16, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A**

AMENDMENT NO. 1

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

For the quarterly period ended September 30, 2004

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

For the transition period from to

Commission File Number: 1-5057

**OFFICEMAX INCORPORATED**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or  
organization)

**150 Pierce Road**  
**Itasca, Illinois**  
(Address of principal executive offices)

**82-0100960**  
(I.R.S. Employer Identification No.)

**60143**  
(Zip Code)

**(630) 773-5000**

(Registrant's telephone number, including area code)

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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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding as of October 31, 2004
Common Stock, \$2.50 par value	88,042,269

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**OFFICEMAX INCORPORATED**

**FORM 10-Q/A**

**INTRODUCTORY NOTE**

This Amendment No. 1 to quarterly report on Form 10-Q/A ( Form 10-Q/A ) is being filed to amend the company s quarterly report on Form 10-Q for the quarter ended September 30, 2004, which was originally filed on November 9, 2004 ( Original Form 10-Q ). Accordingly, pursuant to rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Form 10-Q/A contains the complete text of Items 1, 2 and 4 of Part I and Item 6 of Part II, as amended, as well as certain currently dated certifications. Unaffected items have not been repeated in this Amendment No. 1.

Based on the results of an investigation into the company s accounting for vendor income that began in the fourth quarter of 2004, the company concluded in February 2005 that it overstated operating income in the first quarter of 2004 by \$7.1 million and understated operating income by \$1.1 million and \$1.7 million in the second and third quarters of 2004, respectively. Net income was overstated by \$4.3 million in the first quarter of 2004 and understated by \$0.7 million and \$1.0 million in the second and third quarters of 2004. For the nine months ended September 30, 2004, operating income was overstated by \$4.3 million and net income was overstated by \$2.6 million. The company s financial statements as of and for the year ended December 31, 2003, were not materially impacted. See Note 24 to the accompanying consolidated financial statements for a discussion of the adjustment.

This Amendment No. 1 does not reflect events occurring after the filing of the Original Form 10-Q, which was filed on November 9, 2004. Such events include, among others, the events described in the company s current reports on Form 8-K filed after the filing of the Original Form 10-Q. This Amendment No. 1 is effective for all purposes as of November 9, 2004.

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**OfficeMax Incorporated and Subsidiaries**  
**Consolidated Statements of Income**  
(thousands, except per-share amounts)

	Three Months Ended September 30	
	2004 (Restated)	2003 (unaudited)
<b>Sales</b>	\$ 3,650,930	\$ 2,110,601
<b>Costs and expenses</b>		
Materials, labor and other operating expenses	2,833,329	1,695,809
Depreciation, amortization and cost of company timber harvested	102,130	78,019
Selling and distribution expenses	496,229	224,405
General and administrative expenses	77,745	38,576
Other (income) expense, net	(1,161)	1,133
	3,508,272	2,037,942
<b>Equity in net income of affiliates</b>		4,038
<b>Income from operations</b>	142,658	76,697
Interest expense	(39,945)	(31,657)
Interest income	455	221
Foreign exchange gain	1,072	133
	(38,418)	(31,303)
<b>Income before income taxes and minority interest</b>	104,240	45,394
Income tax provision	(40,926)	(12,510)
<b>Income before minority interest</b>	63,314	32,884
Minority interest, net of income tax	(1,145)	
<b>Net income</b>	<b>62,169</b>	<b>32,884</b>
Preferred dividends	(3,242)	(3,191)
<b>Net income applicable to common shareholders</b>	\$ 58,927	\$ 29,693
<b>Net income per common share</b>		
Basic	\$ 0.68	\$ 0.51
Diluted	\$ 0.64	\$ 0.48

See accompanying notes to consolidated financial statements.

**OfficeMax Incorporated and Subsidiaries**  
**Consolidated Statements of Income**  
(thousands, except per-share amounts)

	Nine Months Ended September 30	
	2004 (Restated)	2003 (unaudited)
<b>Sales</b>	\$ 10,581,773	\$ 5,892,828
<b>Costs and expenses</b>		
Materials, labor and other operating expenses	8,275,205	4,789,443
Depreciation, amortization and cost of company timber harvested	301,172	227,331
Selling and distribution expenses	1,480,676	656,039
General and administrative expenses	224,373	109,246
Other (income) expense, net	(91,768)	14,121
	10,189,658	5,796,180
<b>Equity in net income of affiliates</b>	6,311	4,453
<b>Income from operations</b>	398,426	101,101
Interest expense	(121,029)	(94,911)
Interest income	1,389	653
Foreign exchange gain	728	2,949
	(118,912)	(91,309)
<b>Income before income taxes, minority interest and cumulative effect of accounting changes</b>	279,514	9,792
Income tax (provision) benefit	(104,758)	415
<b>Income before minority interest and cumulative effect of accounting changes</b>	174,756	10,207
Minority interest, net of income tax	(2,393)	
<b>Income before cumulative effect of accounting changes</b>	172,363	10,207
Cumulative effect of accounting changes, net of income tax		(8,803)
<b>Net income</b>	<b>172,363</b>	<b>1,404</b>
Preferred dividends	(9,776)	(9,744)
<b>Net income (loss) applicable to common shareholders</b>	\$ 162,587	\$ (8,340)
<b>Net income (loss) per common share</b>		
Basic before cumulative effect of accounting changes	\$ 1.88	\$ 0.01
Cumulative effect of accounting changes, net of income tax		(0.15)
<b>Basic</b>	<b>\$ 1.88</b>	<b>\$ (0.14)</b>
Diluted before cumulative effect of accounting changes	\$ 1.78	\$ 0.01
Cumulative effect of accounting changes, net of income tax		(0.15)
<b>Diluted</b>	<b>\$ 1.78</b>	<b>\$ (0.14)</b>

See accompanying notes to consolidated financial statements.





**OfficeMax Incorporated and Subsidiaries**  
**Consolidated Balance Sheets**  
(thousands)

	September 30 2004 (Restated)	September 30 2003 (unaudited)	December 31 2003
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 168,306	\$ 94,544	\$ 124,879
Receivables, less allowances of \$10,360, \$14,349 and \$10,865	1,006,283	576,817	574,219
Inventories			