

**NOTE: THIS FORM WAS NOT FILED WITH THE
UNITED STATES SECURITIES AND EXCHANGE
COMMISSION**

FORM 8-K

**CURRENT REPORT PURSUANT TO THE INDENTURE,
dated as of October 4, 2005,
among Brookstone, Inc., a Delaware corporation,
Brookstone Company, Inc., a New Hampshire corporation, the
Guarantors (as defined therein) and Wells Fargo Bank, N.A. as Trustee.**

Date of report (Date of earliest event reported): February 22, 2006

BROOKSTONE, INC.

DELAWARE

(State or other jurisdiction
of incorporation)

06-1182895

(IRS Employer
Identification No.)

ONE INNOVATION WAY, MERRIMACK, NH
(Address of principal executive offices)

03054
(Zip Code)

Telephone number, including area code 603-880-9500.

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 (see General Instruction A.2. below):

- 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 2.02. Results of Operations and Financial Condition.

On February 22, 2006, Brookstone, Inc. issued a press release reporting its earnings for its fourth fiscal quarter ending December 31, 2005. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	February 22, 2006 Earnings Release

SIGNATURE

The Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 22, 2006

By: /s/ Philip W. Roizin

Philip W. Roizin
Executive Vice President,
Finance and Administration,
Treasurer, Secretary
and Chief Financial Officer

EXHIBIT 99.1

Contact:
Philip Roizin
EVP of Finance and Administration
(603) 880-9500

FOR IMMEDIATE RELEASE

Brookstone Announces Fourth-Quarter and Fiscal Year Financial Results for 2005

MERRIMACK, N.H., February 22, 2006 – Innovative product development company and specialty lifestyle retailer Brookstone, Inc. today announced financial results for the fourth quarter and fiscal year ended December 31, 2005. Results in this release relating to the Company's Gardeners Eden brand are reflected as discontinued operations.

For the thirteen-week period ended December 31, 2005, Brookstone reported total net sales of \$226.1 million, a 2.6 percent decrease as compared to the thirteen-week period ending January 1, 2005.

Same-store sales for the thirteen-week period ending December 31, 2005 decreased 7.6 percent compared to the thirteen-week period ending January 1, 2005.

For the forty-eight week period ended December 31, 2005, Brookstone reported total net sales of \$440.6 million, a 4.4 percent decrease as compared to the forty-eight week period ending January 1, 2005. Same-store sales for the forty-eight week period ending December 31, 2005 decreased 8.0 percent compared to the forty-eight week period ending January 1, 2005.

Michael Anthony, Brookstone President and Chief Executive Officer, said:

“We are encouraged by our results for the month of December, when same store sales decreased by 5.5% and total sales decreased by only 0.1% compared with December 2004. We believe we are well positioned for 2006. We ended the year with a healthy cash position of \$76.3 million as of December 31, 2005 and no cash borrowings under our \$100 million asset-backed credit facility. We have a number of new product launches planned, some of which will be our exclusive launch of certain OSIM healthy lifestyle products.”

In November of 2005, the Company changed its fiscal year end from the Saturday closest to the end of January to the Saturday closest to the end of December. As a result of this change, Fiscal 2005 results are for the eleven-month period commencing on January 30, 2005 through December 31, 2005, as compared to the Fiscal 2004 twelve-month period from February 1, 2004 to January 29, 2005. In addition, due to the change in the fiscal year end, the Company's fiscal fourth quarter now ends in December, as compared to January under our previous year end. Our presentations through the fourth quarter of 2006 will compare the new quarter end results with the historical results from the old quarter ends. We believe these period-to-period comparisons will be informative given the fact that the fiscal fourth-quarter periods of 2004 and 2005 will both encompass the Holiday selling season and year end accounting adjustments.

On October 4, 2005, Brookstone, Inc. was acquired through a merger transaction with Brookstone Acquisition Corp., a Delaware corporation formed by OSIM International Ltd and affiliates of J.W. Childs Equity Partners III, L.P. and Temasek (Private) Capital Limited. As a result of the acquisition, Brookstone, Inc. became a privately held, wholly owned subsidiary of OSIM Brookstone Holdings, L.P., the general partner of which is OSIM Brookstone Holdings, Inc. and the majority shareholder of which is OSIM International Ltd.

On June 29, 2005, the Company announced its plans to sell its Gardeners Eden business, which currently consists of one Gardeners Eden store. As a result, commencing with the second quarter of Fiscal 2005, the Company began reflecting the results of operations from the Gardeners Eden business as a discontinued operation.

Brookstone, Inc. is an innovative product development and specialty lifestyle retail Company that operates 305 Brookstone Brand stores nationwide and in Puerto Rico. Typically located in high-traffic regional shopping malls and airports, the stores feature unique and innovative consumer products. The Company also operates one store under the Gardeners Eden Brand, and a Direct Marketing business that includes the Brookstone and Hard to Find Tools catalogs and an e-commerce website at <http://www.brookstone.com>.

Statements in this release which are not historical facts, including statements about the Company's confidence or expectations, earnings, anticipated operations of its e-commerce sites and those of third-party service providers, and other statements about the Company's operational outlook are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 ("Reform Act") and are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in such forward-looking statements. Such risks and uncertainties include, without limitation, risks of changing market conditions in the overall economy and the retail industry, consumer demand, the effectiveness of e-commerce technology and marketing efforts, availability of products, availability of adequate transportation of such products, and other factors detailed from time to time in the Company's annual and other reports filed with the Securities and Exchange Commission. Words such as "estimate", "project", "plan", "believe", "feel", "anticipate", "assume", "may", "will", "should" and similar words and phrases may identify forward-looking statements. Statements about a possible sale or divestiture of its Gardeners Eden business constitute forward-looking statements. The Company may not be able to complete a divestiture on acceptable terms because of a number of factors, including failure to reach agreement with a purchaser. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. The Company undertakes no obligations to publicly release any revisions to these forward-looking statements or reflect events or circumstances after the date hereof.

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BROOKSTONE, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>December 31, 2005</u>	<u>January 29, 2005</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 76,326	\$ 86,205
Receivables, net	10,906	9,859
Merchandise inventories	75,716	75,585
Deferred income taxes, net	4,947	3,917
Prepaid expenses	9,117	6,045
Total current assets	<u>177,012</u>	<u>181,611</u>
Deferred income taxes, net	---	5,256
Property, plant and equipment, net	76,328	74,019
Intangible assets, net	132,271	3,853
Goodwill	192,723	---
Other assets	19,363	1,741
Total assets	<u>\$ 597,697</u>	<u>\$ 266,480</u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	22,012	17,402
Other current liabilities	54,714	46,500
Total current liabilities	<u>76,726</u>	<u>63,902</u>
Other long-term liabilities	20,005	22,432
Long-term debt	190,849	8,760
Deferred income taxes	42,619	---
Commitments and contingencies		
Other party interests in consolidated entities	1,176	1,100
Shareholders' equity:		
Total shareholders' equity	<u>266,322</u>	<u>170,286</u>
Total liabilities and shareholders' equity	<u>\$ 597,697</u>	<u>\$ 266,480</u>

BROOKSTONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

<u>Thirteen-Weeks:</u>	<u>Thirteen-Weeks</u>		<u>Thirteen-Weeks</u>
	Successor	Predecessor	
	Period from October 4, 2005 through December 31, 2005	Period from October 2, 2005 through October 3, 2005	Thirteen-Weeks Ended January 29, 2005
Net sales	\$ 224,527	\$ 1,567	\$ 232,130
Cost of sales	137,343	1,104	117,310
Gross profit	<u>87,184</u>	<u>463</u>	<u>114,820</u>
Selling, general and administrative Expenses	49,688	627	60,085
Income (loss) from continuing operations	<u>37,496</u>	<u>(164)</u>	<u>54,735</u>
Interest expense, net	<u>8,419</u>	<u>62</u>	<u>160</u>
Income (loss) before taxes, other party interests in consolidated entities and discontinued operations	29,077	(226)	54,575
Other party interests in consolidated entities	174	6	208
Income (loss) before taxes and Discontinued operations	<u>28,903</u>	<u>(232)</u>	<u>54,367</u>
Income tax (benefit)	11,444	(109)	21,087
Loss on discontinued operations, net of tax	(425)	(38)	(130)
Net income (loss)	<u>\$ 17,034</u>	<u>\$ (161)</u>	<u>\$ 33,150</u>

BROOKSTONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

Forty-Eight and Fifty-Two Weeks:	Forty-Eight Weeks		Fifty-Two Weeks
	Successor	Predecessor	
	Period from October 4, 2005 through December 31, 2005	Period from January 30, 2005 through October 3, 2005	Fifty-Two weeks Ended January 29, 2005
Net sales	\$ 224,527	\$ 216,091	\$ 482,884
Cost of sales	137,343	152,228	287,690
Gross profit	87,184	63,863	195,194
Selling, general and administrative Expenses	49,688	86,005	154,571
Income (loss) from continuing operations	37,496	(22,142)	40,623
Interest expense, net	8,419	25	921
Income (loss) before taxes, other party interests in consolidated entities and discontinued operations	29,077	(22,167)	39,702
Other party interests in consolidated entities	174	687	751
Income (loss) before taxes and Discontinued operations	28,903	(22,854)	38,951
Income tax (benefit)	11,444	(7,887)	15,485
Loss on discontinued operations, net of tax	(425)	(5,634)	(2,104)
Net income (loss)	\$ 17,034	\$ (20,601)	\$ 21,362

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are financial measures used by management of the Company and which management believes provide useful information to investors regarding the Company's results of operations because such measures assist in analyzing the operating performance of the Company and its ability to service debt. We define EBITDA as net income (loss) plus interest expense, depreciation, amortization and income taxes. Other companies may define EBITDA differently, and as a result, our measure of EBITDA may not be directly comparable to EBITDA of other companies. We define Adjusted EBITDA as EBITDA adjusted to exclude the items described in the table below which are not considered by management of the Company to be indicative of the Company's underlying financial results. EBITDA and Adjusted EBITDA should not be considered alternatives to net income, operating income or any other measure of performance or liquidity presented in accordance with GAAP. For the thirteen and forty eight week periods ended January 31 2005, EBITDA, reconciled to our reported net income for such periods, and Adjusted EBITDA, reconciled to our EBITDA for such periods, are as follows:

	13 Weeks		13 Weeks
	Successor	Predecessor	
	Period from October 4, 2005 through December 31, 2005	Period from October 2, 2005 through October 3, 2005	Thirteen Weeks Ended January 29, 2005
Net income (loss) – as reported	\$ 17,034	\$ (161)	\$ 33,150
Add: Income tax (benefit)	11,438	(109)	20,744
Add: Interest expense	8,560	62	416
Add: Depreciation and amortization	3,310	---	3,515
EBITDA	40,342	(208)	57,825
Lease accounting adjustment SERP	---	---	2,326
	12	---	184
Non-cash Stock Compensation Expense	---	---	33
Gardeners Eden Negative EBITDA	431	38	233
Amortization of purchase accounting writeup of Inventory	7,195	---	---
Other purchase accounting adjustments	406	---	---
Adjusted EBITDA	\$ 48,386	\$ (170)	\$ 60,601

	48 Weeks		52 Weeks
Forty-Eight and Fifty-Two weeks:	Successor	Predecessor	
	Period from October 4, 2005 through December 31, 2005	Period from January 30, 2005 through October 3, 2005	Fifty-Two Weeks Ended January 29, 2005
Net income (loss) – as reported	\$ 17,034	\$ (20,601)	\$ 21,362
Add: income tax (benefit)	11,438	(11,136)	14,006
Add: Interest expense	8,560	1,202	1,556
Add: Depreciation and amortization	3,310	9,269	13,679
EBITDA	40,342	(21,266)	50,603
Lease accounting adjustment	---	---	2,326
SERP	12	418	368
Non-cash Stock Compensation Expense	---	979	577
Gardeners Eden Negative EBITDA	431	8,466	2,744
Amortization of purchase accounting writeup of Inventory	7,195	---	---
Other purchase accounting adjustment	406	---	---
Adjusted EBITDA	\$ 48,386	\$ (11,403)	\$ 56,618