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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

**FORM 8-K**

**[X] CURRENT REPORT PURSUANT TO THE INDENTURE, DATED AS OF  
OCTOBER 4, 2005 AMONG BROOKSTONE, INC., A DELAWARE CORPORATION,  
BROOKSTONE COMPANY, INC., THE GUARANTORS (AS DEFINED THEREIN)  
AND WELLS FARGO BANK, N.A., AS TRUSTEE**

Date of report (Date of earliest event reported): February 18, 2009

**BROOKSTONE, INC.**

(Exact name of registrant as specified in its charter)

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:

- 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 18, 2009, Brookstone, Inc. issued a press release reporting its financial results for its fourth quarter ended January 3, 2009. 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.*****(d) Exhibits**

- 99.1 Press Release dated February 18, 2009 announcing financial results for Brookstone, Inc.’s fourth quarter ended January 3, 2009.

**SIGNATURE**

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.

February 18, 2009

***By: /s/ Philip W. Roizin***

Philip W. Roizin  
Executive Vice President, Finance  
and Administration,  
Treasurer and Secretary  
(Principal Financial Officer and duly  
authorized to sign on behalf of registrant)

## EXHIBIT 99.1

### Brookstone Announces Fourth Quarter and Fiscal Year 2008 Financial Results

MERRIMACK, N.H., February 18, 2009 -- Innovative product development company and specialty lifestyle retailer Brookstone, Inc. today announced financial results for the fourth quarter and full Fiscal Year ended January 3, 2009.

For the 14-week period ended January 3, 2009, Brookstone reported total net sales of \$220.1 million, a 23.7 % decrease from the 13-week period ended December 29, 2007. Same-store sales for the 13-week period ended December 27, 2008 decreased 25.5 % as compared to the comparable 13-week period last year.

For the 14-week period ended January 3, 2009, Brookstone reported a loss from operations of \$98.2 million, compared to income from operations of \$64.6 million for the 13-week period ended December 29, 2007. Excluding certain non-cash impairment charges, of approximately \$89.8 million related to goodwill, approximately \$24.0 million related to intangible assets and approximately \$5.2 million related to underperforming stores, for the 14-week period ended January 3, 2009, Brookstone reported income from operations of \$20.8 million, compared to income from operations of \$65.5 million (which excludes certain non-cash impairment charges of approximately \$0.9 million related to intangible assets) for the 13-week period ended December 29, 2007.

For the 53-week period ended January 3, 2009, Brookstone reported total net sales of \$496.7 million, a 11.7 % decrease from the 52-week period ended December 29, 2007. Same-store sales for the 52-week period ended December 27, 2008 decreased 14.2 % as compared to the comparable 52-week period last year.

For the 53-week period ended January 3, 2009, Brookstone reported a loss from operations of \$129.4 million, compared to income from operations of \$39.9 million for the 52-week period ended December 29, 2007. Excluding certain non-cash impairment charges, of approximately \$89.8 million related to goodwill, approximately \$24.0 million related to intangible assets and approximately \$5.2 million related to underperforming stores, Brookstone reported a loss from operations of \$10.4 million, compared to income from operations of \$40.8 million (which excludes certain non-cash impairment charges of approximately \$0.9 million related to intangible assets) for the 52-week period ended December 29, 2007.

Brookstone, Inc.				
Reconciliation of Selected GAAP Measures to Non-GAAP Measures				
(Unaudited)				
(in millions)				
	Fourteen weeks ended January 3, 2009	Thirteen weeks ended December 29, 2007	Fifty-three weeks ended January 3, 2009	Fifty-two weeks ended December 29, 2007
Total sales	\$ 220.1	\$ 288.5	\$ 496.7	\$ 562.8
Income (loss) from operations (GAAP)	\$ (98.2)	\$ 64.6	\$ (129.4)	\$ 39.9
Non-cash impairment charges	119.0	0.9	119.0	0.9
Income (loss) from operations (excluding non-cash impairment charges) (Non-GAAP)	\$ 20.8	\$ 65.5	\$ (10.4)	\$ 40.8

Lou Mancini, Brookstone Chief Executive Officer, said: “Our fourth quarter sales were affected by many of the negative factors rippling through the entire economy. We experienced a significant downturn in sales beginning in October that coincided with the unprecedented turmoil in the financial sector. We responded to these events by reducing our forward inventory buys and cutting costs. In addition, we marked down product prices to proactively monetize our inventory and raise cash. While these steps helped us to tightly manage inventory, which ended the year approximately 22.8% below last year, these actions also reduced our gross margin and profitability. We ended the year with approximately \$22.5 million in cash, no cash borrowings and approximately \$88.1 million of availability under our revolving credit facility, which is in place through October of 2010.”

Brookstone, Inc. is an innovative product development and specialty lifestyle retail company that operates 310 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 a Direct Marketing business that includes the Brookstone catalog 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 posted to the Company's website. Words such as "estimate", "project", "plan", "believe", "feel", "anticipate", "assume", "may", "will", "should" and similar words and phrases may identify forward-looking statements. 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.

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

	January 3, 2009	December 29, 2007
	(Unaudited)	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 22,530	\$ 70,857
Receivables, net	9,839	12,816
Merchandise inventories	82,095	106,400
Deferred income taxes, net	---	4,166
Prepaid expenses	16,379	4,020
Total current assets	130,843	198,259
Property, plant and equipment, net	66,456	71,918
Intangible assets, net	105,000	129,500
Goodwill	99,735	189,524
Other assets	8,565	11,834
Total assets	\$ 410,599	\$ 601,035
<u>Liabilities and Shareholder's Equity</u>		
Current liabilities:		
Accounts payable	\$ 17,033	\$ 33,599
Other current liabilities	41,179	61,214
Total current liabilities	58,212	94,813
Other long-term liabilities	21,370	21,137
Long-term debt	174,089	174,777
Deferred income taxes	38,430	42,999
Other party interests in consolidated entities	1,040	1,250
Total shareholder's equity	117,458	266,059
Total liabilities and shareholder's equity	\$ 410,599	\$ 601,035

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

	<u>Fourteen weeks ended</u> <u>January 3, 2009</u>	<u>Thirteen weeks ended</u> <u>December 29, 2007</u>
Net sales	\$ 220,083	\$ 288,461
Cost of sales	<u>148,093</u>	<u>157,349</u>
Gross profit	71,990	131,112
Selling, general and administrative expenses	51,254	65,579
Goodwill impairment	89,789	---
Intangible asset impairment	24,000	938
Long-lived asset impairment	<u>5,181</u>	<u>---</u>
Income (loss) from operations	(98,234)	64,595
Loss on early extinguishment of debt	---	383
Interest expense, net	<u>6,558</u>	<u>6,970</u>
Income (loss) before taxes, other party interests in consolidated entities and discontinued operations	(104,792)	57,242
Other party interests in consolidated entities	<u>39</u>	<u>303</u>
Income (loss) before taxes and discontinued operations	(104,831)	56,939
Income tax provision	12,656	22,563
Loss on discontinued operations, net of income tax benefit	<u>---</u>	<u>(130)</u>
Net income (loss)	<u>\$ (117,487)</u>	<u>\$ 34,246</u>

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

	Fiscal year ended	
	January 3, 2009 (Unaudited)	December 29, 2007
Net sales	\$ 496,745	\$ 562,835
Cost of sales	<u>355,599</u>	<u>360,793</u>
Gross profit	141,146	202,042
Selling, general and administrative expenses	151,582	161,200
Goodwill impairment	89,789	---
Intangible asset impairment	24,000	938
Long-lived asset impairment	<u>5,181</u>	<u>---</u>
Income (loss) from operations	(129,406)	39,904
Loss on early extinguishment of debt	---	506
Interest expense, net	<u>24,158</u>	<u>25,711</u>
Income (loss) before taxes, other party interests in consolidated entities and discontinued operations	(153,564)	13,687
Other party interests in consolidated entities	<u>983</u>	<u>1,320</u>
Income (loss) before taxes and discontinued operations	(154,547)	12,367
Income tax provision (benefit)	(6,246)	5,610
Loss on discontinued operations, net of income tax benefit	<u>---</u>	<u>(337)</u>
Net income (loss)	<u>\$ (148,301)</u>	<u>\$ 6,420</u>

Contact:

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