

Note: This form was not filed with the
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): July 25, 2008

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 July 25, 2008, Brookstone, Inc. issued a press release reporting its financial results for its second quarter ended June 28, 2008. 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 July 25, 2008 announcing financial results for Brookstone, Inc.’s second quarter ended June 28, 2008.

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.

July 25, 2008

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 Second Quarter and Year-to-Date 2008 Financial Results

MERRIMACK, N.H. July 25, 2008 -- Innovative product development company and specialty lifestyle retailer Brookstone, Inc. today announced financial results for the second quarter ended June 28, 2008.

For the 13-week period ended June 28, 2008, Brookstone reported total net sales of \$97.4 million, a 2.5% decrease from the comparable 13-week period of 2007. Same-store sales decreased 4.3% as compared to the comparable 13-week period last year.

For the 13-week period ending June 28, 2008, Brookstone reported a loss from operations of \$7.7 million, compared to a loss from operations of \$3.6 million for the comparable 13-week period last year.

For the 26-week period ended June 28, 2008, Brookstone reported total net sales of \$187.2 million, a 2.3% increase from the comparable 26-week period of 2007. Same-store sales decreased 1.9% as compared to the comparable 26-week period last year.

For the 26-week period ending June 28, 2008, Brookstone reported a loss from operations of \$20.7 million, compared to a loss from operations of \$15.3 million for the comparable 26-week period last year.

Lou Mancini, Brookstone Chief Executive Officer, said: "The second quarter of 2008 was a challenging period for us with declining traffic in many malls. We believe that we were also impacted by our closest competitor's Going Out of Business Sale. With the exit of our closest competitor, there will be a significant opportunity to build on our market leadership through more new product introductions including OSIM healthy lifestyle products and self-use purchase products such as the anti-snore pillow."

Brookstone, Inc. is an innovative product development and specialty lifestyle retail company that operates 314 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.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	<u>June 28, 2008</u>	<u>December 29, 2007</u>	<u>June 30, 2007</u>
	(Unaudited)		(Unaudited)
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 1,566	\$ 70,857	\$ 11,937
Receivables, net	8,683	12,816	8,453
Merchandise inventories	92,122	106,400	99,570
Deferred income taxes, net	16,802	4,166	15,427
Prepaid expenses	11,071	4,020	10,295
Total current assets	130,244	198,259	145,682
Property, plant and equipment, net	70,363	71,918	70,170
Intangible assets, net	129,167	129,500	130,896
Goodwill	189,524	189,524	189,524
Other assets	10,257	11,834	13,836
Total assets	<u>\$ 529,555</u>	<u>\$ 601,035</u>	<u>\$ 550,108</u>
<u>Liabilities and Shareholder's Equity</u>			
Current liabilities:			
Accounts payable	\$ 14,947	\$ 33,599	\$ 17,986
Other current liabilities	29,983	61,214	33,694
Total current liabilities	44,930	94,813	51,680
Other long-term liabilities	19,934	21,137	21,664
Long-term debt	174,466	174,777	189,955
Deferred income taxes	43,052	42,999	44,550
Commitments and contingencies			
Other party interests in consolidated entities	1,108	1,250	1,045
Shareholder's equity:			
Common Stock – \$0.01 par value 1,000 shares authorized, one share issued and outstanding	---	---	---
Additional paid-in capital	240,797	240,380	240,009
Accumulated other comprehensive income	575	593	174
Retained earnings	4,693	25,086	1,031
Total shareholder's equity	246,065	266,059	241,214
Total liabilities and shareholder's equity	<u>\$ 529,555</u>	<u>\$ 601,035</u>	<u>\$ 550,108</u>

BROOKSTONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands)

(Unaudited)

	<u>Thirteen weeks ended</u>		<u>Twenty-six weeks ended</u>	
	<u>June 28, 2008</u>	<u>June 30, 2007</u>	<u>June 28, 2008</u>	<u>June 30, 2007</u>
Net sales	\$ 97,390	\$ 99,925	\$ 187,191	\$ 183,065
Cost of sales	<u>70,876</u>	<u>71,362</u>	<u>138,892</u>	<u>135,502</u>
Gross profit	26,514	28,563	48,299	47,563
Selling, general and administrative expenses	<u>34,233</u>	<u>32,196</u>	<u>68,968</u>	<u>62,868</u>
Loss from operations	(7,719)	(3,633)	(20,669)	(15,305)
Interest expense, net	<u>5,902</u>	<u>6,235</u>	<u>11,524</u>	<u>12,166</u>
Loss before taxes, other party interests in consolidated entities and discontinued operations	(13,621)	(9,868)	(32,193)	(27,471)
Other party interests in consolidated entities	<u>369</u>	<u>379</u>	<u>635</u>	<u>686</u>
Loss before taxes and discontinued operations	(13,990)	(10,247)	(32,828)	(28,157)
Income tax benefit	(5,328)	(3,855)	(12,435)	(10,663)
Loss on discontinued operations, net of tax benefit	<u>-</u>	<u>(70)</u>	<u>-</u>	<u>(141)</u>
Net loss	<u>\$ (8,662)</u>	<u>\$ (6,462)</u>	<u>\$ (20,393)</u>	<u>\$ (17,635)</u>

Contact:

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EVP of Finance and Administration
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