

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): October 22, 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 October 22, 2008, Brookstone, Inc. issued a press release reporting its financial results for its second quarter ended September 27, 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 October 22, 2008 announcing financial results for Brookstone, Inc.’s second quarter ended September 27, 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.

October 22, 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 Third Quarter and Year-to-Date 2008 Financial Results

MERRIMACK, N.H. October 22, 2008 -- Innovative product development company and specialty lifestyle retailer Brookstone, Inc. today announced financial results for the third quarter and year-to-date ended September 27, 2008.

For the 13-week period ended September 27, 2008, Brookstone reported total net sales of \$89.5 million, a 2.0% decrease from the comparable 13-week period of 2007. Same-store sales decreased 5.9% as compared to the comparable 13-week period last year.

For the 13-week period ended September 27, 2008, Brookstone reported a net loss of \$10.4 million, compared to a net loss of \$10.2 million for the comparable 13-week period last year.

For the 39-week period ended September 27, 2008, Brookstone reported total net sales of \$276.7 million, a 0.8% increase from the comparable 39-week period of 2007. Same-store sales decreased 3.2% as compared to the comparable 39-week period last year.

For the 39-week period ended September 27, 2008, Brookstone reported a net loss of \$30.8 million, compared to a net loss of \$27.8 million for the comparable 39-week period last year.

Cash borrowings under the Company's \$125 million revolving credit facility at the end of the third quarter were \$23.1 million, as compared to \$25.0 million at the end of the third quarter of 2007.

Lou Mancini, Brookstone Chief Executive Officer, said: "We believe our sales in the third quarter were affected by many of the negative factors rippling through the entire economy. We were pleased however, that we were able to mitigate much of this impact on the bottom line through expense reductions. With the exit of our closest competitor from dedicated retail outlets and direct marketing channels, there should be a significant opportunity to build on our market leadership through more new product introductions including OSIM healthy lifestyle products and self-use products such as the anti-snore pillow. We believe we are well positioned from a product and inventory position for the fourth quarter."

Brookstone, Inc. is an innovative product development and specialty lifestyle retail company that operates 312 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>September 27, 2008</u>	<u>December 29, 2007</u>	<u>September 29, 2007</u>
	(Unaudited)		(Unaudited)
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 1,680	\$ 70,857	\$ 1,489
Receivables, net	9,811	12,816	7,890
Merchandise inventories	110,919	106,400	120,824
Deferred income taxes, net	23,429	4,166	21,860
Prepaid expenses	9,749	4,020	16,669
Total current assets	155,588	198,259	168,732
Property, plant and equipment, net	72,224	71,918	70,449
Intangible assets, net	129,000	129,500	130,666
Goodwill	189,524	189,524	189,524
Other assets	9,470	11,834	12,806
Total assets	<u>\$ 555,806</u>	<u>\$ 601,035</u>	<u>\$ 572,177</u>
<u>Liabilities and Shareholder's Equity</u>			
Current liabilities:			
Accounts payable	\$ 24,155	\$ 33,599	\$ 29,420
Other current liabilities	34,271	61,214	34,543
Short-term borrowings	23,050	---	25,000
Total current liabilities	81,476	94,813	88,963
Other long-term liabilities	19,691	21,137	21,073
Long-term debt, net of current portion	174,311	174,777	185,343
Deferred income taxes	43,258	42,999	44,522
Commitments and contingencies			
Other party interests in consolidated entities	1,230	1,250	1,127
Shareholder's equity:			
Common Stock – \$0.01 par value 1,000 shares authorized, one share issued and outstanding	---	---	---
Additional paid-in capital	240,996	240,380	240,169
Accumulated other comprehensive income	572	593	140
Retained earnings (deficit)	(5,728)	25,086	(9,160)
Total shareholder's equity	235,840	266,059	231,149
Total liabilities and shareholder's equity	<u>\$ 555,806</u>	<u>\$ 601,035</u>	<u>\$ 572,177</u>

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

	<u>Thirteen weeks ended</u>		<u>Thirty-nine weeks ended</u>	
	<u>September 27, 2008</u>	<u>September 29, 2007</u>	<u>September 27, 2008</u>	<u>September 29, 2007</u>
Net sales	\$ 89,471	\$ 91,309	\$ 276,662	\$ 274,374
Cost of sales	68,614	67,941	207,506	203,444
Gross profit	20,857	23,368	69,156	70,930
Selling, general and administrative expenses	31,361	32,755	100,328	95,621
Loss from operations	(10,504)	(9,387)	(31,172)	(24,691)
Loss on early extinguishment of debt	---	123	---	123
Interest expense, net	6,076	6,575	17,600	18,741
Loss before taxes, other party interests in consolidated entities and discontinued operations	(16,580)	(16,085)	(48,772)	(43,555)
Other party interests in consolidated entities	308	330	944	1,017
Loss before taxes and discontinued operations	(16,888)	(16,415)	(49,716)	(44,572)
Income tax benefit	(6,467)	(6,292)	(18,902)	(16,954)
Loss on discontinued operations, net of tax benefit	---	(68)	---	(208)
Net loss	<u>\$ (10,421)</u>	<u>\$ (10,191)</u>	<u>\$ (30,814)</u>	<u>\$ (27,826)</u>

Contact:

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EVP of Finance and Administration
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