

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report:
(Date of earliest event reported)

August 30, 2004

CONN'S, INC.
(Exact name of registrant as specified in charter)

Delaware
(State or other Jurisdiction of Incorporation or Organization)

000-50421
(Commission File Number)

06-1672840
(IRS Employer Identification
No.)

3295 College Street
Beaumont, Texas 77701
(Address of Principal Executive
Offices and zip code)

(409) 832-1696
(Registrant's telephone
number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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 Securities Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) 12 under the Securities Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) 12 under the Securities Act (17 CFR 240.13e-2(c))

2

Item 2.02 Results of Operations and Financial Condition.

On August 30, 2004, the Company issued a press release announcing earnings for the quarter ended July 31, 2004. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01(c) Exhibits.

Exhibit 99.1 Press Release, dated August 30, 2004

All of the information contained in Item 2.02 and Item 9.01(c) in this Form 8-K and the accompanying exhibit shall not be deemed to be "filed" for the

purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended.

SIGNATURES

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.

CONN'S, INC.

Date: August 30, 2004

By: /s/ C. William Frank

C. William Frank
Executive Vice President and Chief
Financial Officer

Conn's, Inc. Reports Record Second Quarter 2005 Earnings

BEAUMONT, Texas--(BUSINESS WIRE)--Aug. 30, 2004--Conn's, Inc. (Nasdaq/NM:CONN), a specialty retailer of home appliances, consumer electronics, home office products, bedding and lawn and garden products, today announced record results for the quarter and six months ended July 31, 2004.

Net income available for common stockholders for the second quarter increased 37.6% to \$6.8 million compared to \$4.9 million for the second quarter of last year. Diluted earnings per share available for common stockholders decreased 3.3% to \$0.29 from \$0.30 in the prior year. On a pro forma basis, as though all shares issued in the initial public offering were outstanding in both periods for the full period and IPO proceeds were used to pay-off existing balance sheet debt, diluted earnings per share increased 16.0% to \$0.29 for the quarter ended July 31, 2004 from \$0.25 for the quarter ended July 31, 2003. Net revenues for the quarter ended July 31, 2004 increased 16.6% to \$136.6 million compared with \$117.1 million for the quarter ended July 31, 2003. This increase in revenue included net sales increases of \$16.1 million, or 15.7%, and increases from "Finance charges and other" of \$3.4 million, or 23.5%. Same store sales (revenues earned in stores operated for the entirety of both periods) increased 7.2% for the second quarter of fiscal 2005. One of the factors that contributed to success in sales increases and profitability in the current quarter was the expansion of credit promotion programs in excess of one year; the corresponding offset to these operational improvements included a higher use of cash to absorb receivable growth that does not qualify for funding under the asset-backed securitization program.

Net revenues for the six months ended July 31, 2004 increased 14.1% to \$271.5 million compared with \$237.9 million for the six months ended July 31, 2003. This increase in revenue included net sales increases of \$28.0 million, or 13.4%, and increases from "Finance charges and other" of \$5.6 million, or 19.7%. Same store sales increased 5.3% for the first six months of fiscal 2004. Net income available for common stockholders for the six months ended July 31, 2004 increased 54.4% to \$14.6 million compared to \$9.4 million for the first six months of last year. Diluted earnings per share available for the common stockholder increased 8.9% to \$0.61 from \$0.56 in the prior year. On a pro forma basis, as though all shares issued in the initial public offering were outstanding in both periods for the full period and IPO proceeds were used to pay-off existing balance sheet debt, diluted earnings per share increased 24.5% to \$0.61 for the six months ended July 31, 2004 from \$0.49 for the six months ended July 31, 2003.

"We continue to be pleased with our progress since becoming a public company," said Thomas J. Frank, Conn's chairman and chief executive officer. "We feel that the same store sales performance for the quarter and the year indicates that we kept our commitment to potential investors to execute at an exceptional level. We believe the additional capital expenditures that we have recently made remodeling our stores has already had a positive impact on our operations and will continue to generate an appropriate return on our investment. The continuation of our efforts to push our primary business in appliances and electronics and the emphasis that we have placed on track sales, bedding and lawn and garden categories seems to be providing positive results, both at the top and bottom lines."

EPS Guidance

The Company also issued guidance for the third quarter ended Oct. 31, 2004 of earnings per diluted share of approximately \$0.25 to \$0.27. Guidance issued for the entire year continues to include earnings per diluted share of approximately \$1.24 to \$1.26, with comparable store sales increase in the mid single digit range.

Conference Call Information

Conn's, Inc. will host a conference call and audio webcast today, Aug. 30, 2004 at 10:00 a.m., CST, to discuss financial results for the quarter ended July 31, 2004. The webcast will be available at www.conns.com and will be archived for one year. The webcast is also being distributed over CCBN's Investor Distribution Network to both institutional and individual investors. Individual investors can listen to the call through CCBN's individual investor center at www.fulldisclosure.com. Institutional investors can access the call via CCBN's password protected event management site at www.streetevents.com.

About Conn's, Inc.

The Company is a specialty retailer currently operating 47 retail locations in Texas and Louisiana. It sells major home appliances, including refrigerators, freezers, washers, dryers and ranges, and a variety of consumer electronics, including projection, plasma and LCD televisions, camcorders, VCRs, DVD players and home theater products. The Company also sells home office equipment, lawn and garden products and bedding, and continues to introduce additional product categories for the home to help increase same store sales and to respond to our

customers' product needs.

Unlike many of its competitors, the Company provides in-house credit options for its customers. Historically, it has financed over 56% of retail sales. Customer receivables are financed substantially through an asset-backed securitization facility, from which the Company derives servicing fee income and interest income from these assets. The Company transfers receivables, consisting of retail installment contracts and revolving accounts extended to its customers, to a qualifying special purpose entity, or the issuer, in exchange for cash and subordinated securities represented by asset-backed and variable funding notes issued to third parties.

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements will prove to be correct, the Company can give no assurance that such expectations will prove to have been correct. The actual future performance of the Company could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: the Company's growth strategy and plans regarding opening new stores and entering new markets; the Company's intention to update or expand existing stores; the Company's estimated capital expenditures and costs related to the opening of new stores or the update or expansion of existing stores; the Company's cash flow from operations, borrowings from its revolving line of credit and proceeds from securitizations to fund operations, debt repayment and expansion; growth trends and projected sales in the home appliance and consumer electronics industry and the Company's ability to capitalize on such growth; relationships with the Company's key suppliers; the results of the Company's litigation; interest rates; weather conditions in the Company's markets; changes in the Company's stock price; and the actual number of shares of common stock outstanding. Further information on these risk factors is included in the Company's filings with the Securities and Exchange Commission, including the Company's Form 10-K filed on April 16, 2004. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

CONN'S, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2003	2004	2003	2004
Revenues				
Total net sales	\$102,754	\$118,851	\$209,441	\$237,393
Finance charges and other	14,372	17,750	28,476	34,085
Total revenues	117,126	136,601	237,917	271,478
Cost and Expenses				
Cost of goods sold, including warehousing and occupancy costs	72,682	85,704	149,674	170,479
Cost of parts sold, including warehousing and occupancy costs	1,007	1,092	2,250	2,195
Selling, general and administrative expense	32,399	37,521	64,154	72,383
Provision for bad debts	820	1,227	2,189	2,649
Total cost and expenses	106,908	125,544	218,267	247,706
Operating income	10,218	11,057	19,650	23,772
Interest expense	1,670	567	3,215	1,149
Income before minority interest and income taxes	8,548	10,490	16,435	22,623
Minority interest in limited partnership		131		246
Income before income taxes	8,548	10,359	16,435	22,377
Total provision for income taxes	3,025	3,569	5,827	7,814

Net income	5,523	6,790	10,608	14,563
Less preferred dividends	(586)		(1,173)	
	-----	-----	-----	-----
Net income available for common stockholders	\$4,937	\$6,790	\$9,435	\$14,563
	=====	=====	=====	=====
Earnings per share:				
Basic	\$0.30	\$0.29	\$0.56	\$0.63
Diluted	\$0.30	\$0.29	\$0.56	\$0.61
Average common shares outstanding:				
Basic	16,720	23,179	16,720	23,163
Diluted	16,720	23,801	16,720	23,769

CONN'S, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	January 31, 2004	July 31, 2004
	-----	-----
Assets		(Unaudited)
Current Assets		
Cash and cash equivalents	\$12,942	\$6,328
Interest in securitized assets and accounts receivable, net	93,940	113,027
Inventories	53,742	57,827
Deferred income taxes	4,148	4,526
Prepaid expenses and other assets	3,031	2,125
	-----	-----
Total current assets	167,803	183,833
Non-current deferred tax assets	3,945	4,610
Total property and equipment, net	54,825	59,899
Goodwill and other	8,187	8,282
	-----	-----
Total assets	\$234,760	\$256,343
	=====	=====

Liabilities and Stockholders' Equity

Current Liabilities		
Notes payable	\$-	\$1,205
Current portion of long-term debt	338	318
Accounts payable	26,412	32,819
Fair value of derivatives	1,121	702
Other current liabilities	22,866	20,958
	-----	-----
Total current liabilities	50,737	56,002
Long-term debt	14,174	14,005
Non-current deferred tax liability and other	1,288	1,320
Minority interest	1,769	1,960
Fair value of derivatives	202	-
Total stockholders' equity, net	166,590	183,056
	-----	-----
Total liabilities and stockholders' equity	\$234,760	\$256,343
	=====	=====

CONN'S, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended July 31,	
	2003	2004
	-----	-----
Net cash provided by operating activities	\$11,003	\$786
Cash flows from investing activities		
Purchase of property and equipment	(2,364)	(9,047)
Proceeds from sale of property	189	15
	-----	-----
Net cash used by investing activities	(2,175)	(9,032)
Cash flows from financing activities		
Net borrowings (payments) under bank credit facilities	(7,637)	1,049
Net proceeds from exercise of stock options	-	687
Debt issuance costs	(429)	(70)
Payment of promissory notes	(976)	(34)
	-----	-----

Net cash provided (used) by financing activities	(9,042)	1,632
Net change in cash	(214)	(6,614)
Cash and cash equivalents		
Beginning of the year	2,448	12,942
End of the year	\$2,234	\$6,328

CONN'S, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION
PRO FORMA EARNINGS PER SHARE
(in thousands, except earnings per share)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2003	2004	2003	2004
Net income available for common stockholders	\$4,937	\$6,790	\$9,435	\$14,563
Add interest savings, net of tax, due to debt payoff	342		684	
Add preferred dividends	586	-	1,173	-
Pro forma net income	\$5,865	\$6,790	\$11,292	\$14,563
Total shares outstanding pre-IPO	16,720	16,720	16,720	16,720
Shares issued in IPO, including over-allotment	4,622	4,622	4,622	4,622
Conversion of preferred stock into common	1,712	1,712	1,712	1,712
Weighted exercise of options	-	126	-	109
Dilution due to outstanding options		621		606
Pro forma shares outstanding	23,054	23,801	23,054	23,769
Pro forma diluted earnings per share	\$0.25	\$0.29	\$0.49	\$0.61
Reconciliation of pro forma shares outstanding to according to presentation according to GAAP:				
Pro forma shares outstanding	23,054	23,801	23,054	23,769
Adjustment since shares were not outstanding for the full year	(6,334)	-	(6,334)	-
Weighted diluted outstanding shares according to GAAP	16,720	23,801	16,720	23,769

The use of pro forma information is considered necessary to provide the reader with more comparable earnings per share information year over year. As a result of the IPO transaction, the additional shares issued were significant relative to the shares outstanding in the prior year, the retirement of debt substantially reduced interest expense, and preferred dividends are no longer accrued or paid. Consequently, the shares outstanding have been adjusted to reflect the IPO transaction as though it took place on Feb. 1, 2003, interest expense associated with the debt that would have been paid-off has been reduced, and preferred dividends have been eliminated in all periods in order to compute earnings per share on a more comparable basis.

CALCULATION OF GROSS MARGIN PERCENTAGE
(dollars in thousands)

	Three Months Ended July 31,	Six Months Ended July 31,
--	--------------------------------	------------------------------

	2003	2004	2003	2004
	-----	-----	-----	-----
Total revenues	\$117,126	\$136,601	\$237,917	\$271,479
Less cost of goods and parts sold, including warehousing and occupancy cost	(73,689)	(86,795)	(151,924)	(172,674)
Gross margin dollars	\$43,437	\$49,806	\$85,993	\$98,805
	=====	=====	=====	=====
Gross margin percentage	37.1%	36.5%	36.1%	36.4%

CONTACT: Conn's, Inc.
 Thomas J. Frank, 409-832-1696 Ext. 3218