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Borders Group Posts \$35.4 Million Net Loss for May

Borders Group, Inc. and its affiliated debtors filed their monthly operating report for May (1-28) last week with the bankruptcy court in New York. Borders, which filed for bankruptcy protection in February, is seeking buyers for its assets, with the expectation that the companies' future will be decided in the next few weeks.

Among the highlights of Borders' May results:

- The companies generated \$97 million in revenue in May (\$82 million in sales and \$15 million in "other" revenue).
- Borders had gross margin of \$12.8 million, an operating loss of \$14.9 million, and a net loss of \$35.4 million.
- The companies' assets as of May 28, 2011 totaled \$714.3 million. The total includes cash of \$19.1 million and merchandise inventories of \$444.7 million.
- Liabilities totaled almost \$1.1 billion, of which only \$594 were listed as liabilities subject to compromise. Current liabilities were over \$337 million, which includes \$159.1 million for "accrued payroll and other liabilities."
- For post-petition accounts payable, Borders lists a balance of nearly negative \$15 million (*i.e.*, an asset, rather than a liability). In the footnotes, the debtors explain that the negative balance is "primarily due to prepayments made to publishers for post-petition orders."

To view a copy of Borders' May monthly operating report, please visit:

- [Monthly Operating Report: May 1, 2011 - May 28, 2011](#)

You can also view copies of monthly operating reports for earlier periods:

- [Monthly Operating Report: March 27, 2011 - April 30, 2011](#)
- [Monthly Operating Report: February 16, 2011 - March 26, 2011](#)