BOOKS A MILLION INC
Form 11-K
February 22, 2011

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

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK
PURCHASE, SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to _____________

Commission file number 0-20664

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

BOOKS-A-MILLION, INC.
401(k) PROFIT SHARING PLAN

B. Name of the issuer of the securities held pursuant to the Plan and the address of its principal executive office:

Books-A-Million, Inc.
402 Industrial Lane
Birmingham, AL 35211

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of
Books-A-Million, Inc. 401(k) Profit Sharing Plan:

We have audited the accompanying statements of net assets available for benefits of Books-A-Million, Inc. 401(k) Profit Sharing Plan as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Books-A-Million, Inc. 401(k) Profit Sharing Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Atlanta, Georgia
February 22, 2011

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BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2004 AND 2003

ASSETS		2004		2003
Investments	$	10,337,582	$	8,188,950
Receivables				
Company contributions		702,036		434,384
Total assets		11,039,618		8,623,334
LIABILITIES				
Refund of excess contributions payable		--		372
Total liabilities		--		372
Net assets available for benefits	$	11,039,618	$	8,622,962

See notes to financial statements.

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2004

Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	$	806,912
Interest and dividends		109,763
		916,675
Contributions:		
Company contributions		763,271
Participant contributions		1,341,222
Rollovers from participants		29,425
		2,133,918
Total additions		3,050,593
Deductions from net assets attributed to:		
Distributions to participants		633,937
Total deductions		633,937
Net increase		2,416,656
Net assets available for benefits:		
Beginning of year		8,622,962
End of year	$	11,039,618

See notes to financial statements.

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2004 AND 2003
AND FOR THE YEAR ENDED DECEMBER 31, 2004

1. DESCRIPTION OF PLAN

The following description of the Books-A-Million, Inc. 401(k) Profit Sharing Plan (the "Plan") provides only general information. For a more complete description of the Plan's provisions, refer to the Plan agreement.

General
The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974", as amended ("ERISA"). All employees of Books-A-Million, Inc. and its subsidiaries (the "Company") who have completed six consecutive months of service and have attained the age of 21 are eligible to participate in the Plan. Under a trust agreement effective September 12, 2003, SunTrust Bank, NA (the "Trustee") was appointed trustee for the Plan.

Contributions
Each year, participants are allowed to make elective contributions to the Plan, not to exceed 15% of their compensation, as defined. Participants may also make rollover contributions of amounts representing distributions from other qualified retirement plans. Participants age 50 and older may also make catch-up contributions. The Company's contribution to the Plan equals a discretionary matching contribution of up to 6% of a participant's compensation plus a discretionary profit sharing contribution. In order for participants to receive discretionary matching contributions, they must meet minimum service requirements and be actively employed as of the last day of the Plan year. For the Plan year ended December 31, 2004, the Company's contributions to the Plan equaled a discretionary matching contribution of 50% of the first 6% of a participant's eligible compensation and an additional contribution of 20% of the first 6% of a participant's eligible compensation. No profit sharing contributions were made during this time. Contributions are subject to certain regulatory limitations.

Participant Accounts
Each participant's account is credited with the participant's elective contribution and any related actual earnings (losses) and annually with the Company's discretionary matching contribution and an allocation of the Company's discretionary profit sharing contribution (if applicable). Participants are also charged with an allocation of administrative expenses, if any, based on account balances, as defined. Participants may direct their contributions, any Company matching contributions and any related earnings into various investment options available under the Plan. In addition, participants are allowed to change their investment elections at any time.

Vesting
Participants are vested immediately in their voluntary contributions plus actual earnings (losses) thereon. Vesting in the Company's discretionary matching contributions and the Company's discretionary profit sharing contributions, plus actual earnings (losses) thereon, is based upon years of service. A participant vests 20% a year after completion of the second year of service and is 100% vested after six years of credited service.

Forfeitures

Forfeitures are created when participants terminate employment before becoming fully vested in their benefits under the Plan. At December 31, 2004 and 2003, the forfeited nonvested accounts totaled $20,628 and $82,117, respectively. Under the terms of the Plan agreement, forfeitures can first be used to pay Plan expenses, and any remaining forfeitures may be used to reduce future Company contributions to the Plan. During 2004, Company contributions were reduced by $123,888 from forfeited nonvested accounts.

Payment of Benefits

The Plan provides for distribution of vested account balances to participants or participants' beneficiaries in lump-sum payments upon retirement, disability, death or termination of

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
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employment. If the employee's vested benefit in the Plan (excluding amounts attributable to rollovers) does not exceed $5,000, then the employee's benefit must be distributed in a single lump-sum payment as soon as administratively feasible following the event that entitles the employee to a distribution. If the employee's vested benefit in the Plan (excluding amounts attributable to rollovers) exceeds $5,000, then the employee must consent to the distribution before it may be made. Effective January 1, 2004, the employee may elect to receive a distribution as a single lump-sum payment of the entire account balance.

Participant Loans
Participants may borrow from their fund accounts a minimum of $1,000 up to the lesser of $50,000 (subject to certain restrictions and approval) or 50% of the participant's vested account balance. The loans are issued by the Plan and secured by the balance in the participant's account. Loans with a face amount less than $2,000 must be repaid within a period of three years. All other loans must be repaid within a period of five years, unless the loan is used to purchase a principal residence, whereby the loan must be repaid within a reasonable period of time not to extend beyond 15 years. Under the terms of the Plan agreement, Plan loans will bear a reasonable rate of interest consisting of a fixed rate of interest equal to the prime rate at the loan's inception plus one percent.

Principal and interest are repaid to the Plan ratably through monthly payroll deductions.

Investment Options
Participants may direct their contributions, any discretionary Company contributions and any related earnings into various investment options. In addition, participants are allowed to change their investment elections quarterly. The investment options include the SunTrust Retirement Stable Asset Fund, the STI Classic US Government Securities Fund, the STI Classic Balanced Fund, the MFS Value Fund, the SunTrust Retirement 500 Index Fund, the Fidelity Advisor Dynamic Capital Appreciation Fund, the AIM Small Capital Growth Fund, the Templeton Foreign Fund, the STI Classic Small Capital Value Equity Fund, the STI Classic Prime Quality Money Market Fund and Books-A-Million, Inc. common stock.

In addition, the Company's discretionary profit-sharing contributions, if any, are fulfilled through the contribution of Company common stock.

Administrative Expenses
Substantially all administrative costs and management fees of the Plan are paid by the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Plan have been prepared based on the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Except for the Plan's fully-benefit responsive investment contracts held in collective trust fund, collective trust funds are stated at fair value as determined by the trustee, based upon the quoted market prices of the

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
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underlying investments. Collective trust funds holding fully-benefit responsive investment contracts are stated at contract value, which approximates fair value. Participant loans are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Subsequent to year-end, the Financial Accounting Standards Board issued several pronouncements relating to fair value. The new guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. The guidance also expands disclosures about fair value measurements for assets and liabilities and is effective for the Plan in phases beginning with the Plan year ending December 31, 2008. Plan management does not expect that the adoption of this guidance will have a material effect on the reported amounts in the Plan's financial statements and expanded disclosures will be provided upon adoption.

Payment of Benefits
Benefits are recorded when paid.

3. INVESTMENT INFORMATION

The fair values of individual investments that represent five percent or more of the Plan's net assets are as follows:

	December 31	
	2004	2003
Fidelity Advisor Dynamic Capital Appreciation Fund	$ 2,516,875	$ 2,280,225
SunTrust Retirement Stable Asset Fund	$ 1,702,002	$ 1,380,042
MFS Value Fund	$ 1,494,521	$ 1,147,770
SunTrust Retirement 500 Index Fund	$ 1,143,458	$ 922,808
STI Classic Balanced Fund	$ 901,344	$ 763,338
STI Classic US Government Securities Fund	$ 599,942	$ 530,753
Books-A-Million, Inc. Company Stock	$ 1,145,254	$ 686,164

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $806,912, as follows:.

		December 31, 2004
Mutual funds	$	247,164
Collective trust funds		164,968
Company stock		394,780
Total net appreciation in fair value of investments	$	806,912

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
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AND FOR THE YEAR ENDED DECEMBER 31, 2004

4. TAX STATUS

The Plan has adopted a prototype nonstandardized profit sharing plan with a cash or deferral arrangement. The Plan obtained its latest determination letter on July 22, 2004, in which the Internal Revenue Service (“IRS”) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (“IRC”). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan’s tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

5. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

6. CORRECTIVE DISTRIBUTIONS

Plan management made corrective distributions from the Plan totaling $0 and $372 (excluding earnings) for the Plan years ended December 31, 2004 and 2003, respectively, due to over-contribution of salary deferral and matching contribution amounts. These amounts are included in the refund of excess contributions payable in the accompanying statements of net assets available for benefits at December 31, 2004 and 2003, respectively.

7. RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the statements of net assets available for benefits.

8. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds, collective trust funds and money market funds managed by SunTrust Bank, NA. SunTrust Bank, NA is the trustee of the Plan, and, therefore, these transactions qualify as party-in-interest transactions. The fair market value of the Company stock held as investments as of December 31, 2004 and 2003 was $1,145,254 and $686,164, respectively.

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BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN
SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2004

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(e) Current value
	Fidelity Advisor Dynamic Capital Appreciation Fund	Mutual fund	$	2,516,875
*	SunTrust Retirement Stable Asset Fund	Collective trust		1,702,002
	MFS Value Fund	Mutual fund		1,494,521
*	SunTrust Retirement 500 Index Fund	Collective trust		1,143,458
*	STI Classic Balanced Fund	Mutual fund		901,344
*	STI Classic US Government Securities Fund	Mutual fund		599,942
	AIM Small Cap Growth Fund	Mutual fund		129,065
*	STI Classic Small Cap Value Equity Fund	Mutual fund		114,422
	Templeton Foreign Fund	Mutual fund		73,215
*	STI Classic Prime Quality Money Market Fund	Money market		20,628
*	Books-A-Million, Inc.	Common stock		1,145,254
*	Participant loans	Loans to participants (interest rates ranging from 5.00% to 10.00%)		496,856
			$	10,337,582

* Represents a party-in-interest

Column (d) has not been presented as this information is not applicable.

See accompanying independent auditors' report.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan administrator has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BOOKS-A-MILLION, INC. 401(k) PROFIT SHARING PLAN

Date: February 22, 2011	by: /s/Clyde B. Anderson Clyde B. Anderson Chairman, President and Chief Executive Officer of Books-A-Million, Inc., the Plan Administrator of the Books-A-Million, Inc. 401(k) Profit Sharing Plan
Date: February 22, 2011	by:/s/Douglas G. Markham Douglas G. Markham Executive Vice President and Chief Administrative Officer of Books-A-Million, Inc., the Plan Administrator of the Books-A-Million, Inc. 401(k) Profit Sharing Plan
Date: February 22, 2011	by:/s/Brian W. White Brian W. White Chief Financial Officer of Books-A-Million, Inc., the Plan Administrator of the Books-A-Million, Inc. 401(k) Profit Sharing Plan

Exhibit Index

Exhibit 23.1	Consent of Independent Registered Public Accounting Firm.