Origin Agritech LTD
Form 8-K
November 14, 2005

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)
November 8, 2005

ORIGIN AGRITECH LIMITED
(Exact name of registrant as specified in charter)

BRITISH VIRGIN ISLANDS
(State or other Jurisdiction of Incorporation or Organization)

(Commission File Number)		(IRS Employer Identification No.)
000-51576	**625 Broadway, Suite 1111** **San Diego, CA 92101** (Address of Principal Executive Offices and zip code)	**N/A**

(619) 795-4627
(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 registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 Financial Information

The financial statements of Origin are prepared using Renminbi, the currency of the Peoples Republic of China ("PRC"). For convenience, the Renminbi amounts have been converted throughout the text of this Form 8-K Report into United States dollars. Until recently, the Renminbi was a controlled currency, and the exchange rate maintained by the PRC was approximately 8.27 Renminbi to one United States dollar. This is the exchange rate used for the translated dollar amounts in the text of this proxy statement/prospectus. The Chinese government has recently altered its policy toward the rate of exchange of the Renminbi versus the US dollar. Changing from a previously fixed rate policy regarding the dollar, the Renminbi has recently been permitted to float within a fixed range against a basket of currencies, including the US dollar, Japanese Yen and European Euro, which has resulted in the Renminbi being allowed to appreciate 2% +/- 0.3% vs. the dollar. Since the company's business is presently 100 percent within the PRC, this change will have no effect on the company's business, but will result in a concomitant increase in its after-tax earnings when stated in dollar terms. In the future, the company's earnings stated in US dollars will fluctuate in accordance with the change in exchange rate.

Under the law of the British Virgin Islands, Agritech is authorized to issue "ordinary shares" and holders of ordinary shares are "members." References to ordinary shares and members have been translated to common stock stockholders, which are terms more familiar to United States persons.

The following company names for the PRC related entities are used in this document: (1) State Harvest Holdings Ltd. is referred to either as "Origin" or "State Harvest," (ii) Beijing Origin Seed Limited is referred to as "Beijing Origin" throughout this document, (iii) Henan Origin Cotton Technology Development Limited, sometimes written He Nan Origin Cotton Technology Limited, is referred to as "Henan Origin" in the text or "He Nan Cotton" in the Origin financial statements, and (iv) Changchun Origin Seed Technology Development Limited is referred to as "Changchun Origin" in the text or "Chang Chun Origin" in the Origin financial statements. The differences in names, in part, arise from the difference in writing Chinese names in English for which there are no uniform rules.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 8, 2005, Origin Agritech Limited, a company organized under the laws of the British Virgin Islands ("Agritech"), consummated the merger with Chardan China Acquisition Corp., a Delaware corporation ("Chardan"), in which merger Agritech was the survivor, and immediately thereafter it consummated the acquisition of State Harvest Holding Limited, a company organized under the laws of the British Virgin Islands ("State Harvest"), which acquisition included the controlled affiliated operating corporations, Beijing Origin Seed Limited ("Beijing Origin"), Henan Origin Cotton Technology Development Limited ("Henan Origin"), Changchun Origin Seed Technology Development Limited ("Changchun Origin") and Beijing Origin State Harvest Biotechnology Limited ("Origin Biotechnology") (these four companies are referred to as the "Origin Operating Companies"). (Together the Origin Operating Companies and State Harvest are sometimes referred to on a fully consolidated basis as "Origin".)

The merger of Chardan with and into Agritech was pursuant to a Certificate of Merger and Plan of Merger between Chardan and Agritech, dated November 8, 2005.

The acquisition of State Harvest was pursuant to the Stock Purchase Agreement dated as of December 20, 2004, as amended.

At the closing, the State Harvest stockholders and their designee were paid an aggregate of $10,000,000 in cash, using the funds held in the trust account of Chardan, and were issued an aggregate of 10,000,000 shares of Agritech common stock for all the outstanding common stock of Origin. Of the cash portion of the purchase price, $250,000 has been held back for one year by Agritech to secure certain indemnification obligations of the State Harvest stockholders.

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Additional purchase price payments will be made to the State Harvest stockholders and their designee, up to an aggregate of $15,000,000, if either of the following occurs during any fiscal year of Agritech after the closing date until December 31, 2008 (or June 30, 2009 if the fiscal year is changed to a July 1 - June 30 fiscal year) from funds generated in the additional financing or from operational earnings as described below:

A. If Agritech receives at least $40,000,000 in gross proceeds in additional financing as a result (i) of the call of the issued and outstanding public warrants assumed by Agritech at the closing; (ii) Agritech's successful completion of a follow-on offering; or (iii) a private investment into Agritech by a strategic investor ("Financing Adjustment"), then Agritech will pay an additional $15,000,000 to the State Harvest stockholders and their designee; or

B. If Agritech generates net positive cash flow of $2,000,000 or more on a consolidated basis ("Earnings Adjustment"), then the State Harvest stockholders and their designee will be entitled to receive 75% of the net positive cash flow up to a maximum of $7,500,000 per fiscal year and $15,000,000 in the aggregate.

If both an Earnings Adjustment and a Financing Adjustment occur, the maximum aggregate amount to be paid to the State Harvest stockholders from one or both adjustments is $15,000,000.

As further additional purchase price, certain State Harvest stockholders and their designee will be issued an aggregate of 1,500,000 shares of common stock of Agritech for any of the next four years if, on a consolidated basis, Agritech generates after-tax profits (excluding after-tax operating profits from any subsequent acquisitions of securities that have a dilutive effect and before the expenses of this transaction and director and employee option expense) of at least the following amounts:

Year ending June 30,	After-Tax Profit
2006	$11,000,000
2007	$16,000,000
2008	$21,000,000
2009	$29,000,000

The designee, A Plus Resources Limited, a company formed under the laws of the British Virgin Islands, is owned by Ms. Song Baoquing and provided financial advisory services to the Origin Parties.

In connection with the above described acquisition, 200,000 shares of common stock were issued to a consultant to Chardan and Agritech.

All the above-mentioned shares were issued pursuant to Section 4(2) of the Securities Act of 1933 and are "restricted shares."

On November 8, 2005, Agritech, State Harvest and the Origin Companies issued a press release announcing the closing of the above transactions ("Closing"), a copy of which is attached to this Current Report on Form 8-K as Exhibit 99.1.

In connection with the approval of the above described transaction, the Chardan stockholders adopted the 2005 Performance Equity Plan, which authorizes a total of 1,500,000 shares of common stock available for awards under the plan. As a result of the merger of Chardan with and into Agritech, the plan became the 2005 Performance Equity Plan of Agritech. The purpose of the plan is to enable Agritech to offer its and its affiliated companys' employees, officers, directors and consultants whose past, present and/or potential contributions to the company have been, are or will be important to the success of Agritech, an opportunity to acquire a proprietary interest in Agritech. The various types of incentive awards that may be provided under the stock option plan will enable Agritech to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its business.

Item 2.02 Results of Operations and Financial Condition.

Reference is made to the disclosure set forth under Item 8.01 of this Current Report on Form 8-K, which disclosure is incorporated herein by reference, concerning the management's discussion and analysis of financial statements of Origin.

Section 3 Securities and Trading Markets

Item 3.02 Unregistered Sales of Equity Securities.

Reference is made to the disclosure set forth under Item 2.01 of this Current Report on Form 8-K, which disclosure is incorporated herein by reference, concerning the stock portion of the consideration issued to the State Harvest stockholders and a designee and to a consultant to Chardan and Agritech.

Item 3.03 Material Modification to Rights of Security Holders

Incorporated by reference from the Form S-4 (No. 333-124709), effective September 27, 2005, are the following: (A) "Chardan Redomestication Merger" found at pages 75 - 87, including the "Plan of Reincorporation and Redomestication Merger,""Differences of Stockholders Rights,"" Indemnification of Officer and Directors,""Defenses Against Hostile Takeovers,""Rights of Minority Shareholders," and "Transfer of Agritech Securities upon Death of Holder," (B) "Description of the Combined Company's Securities Following the Stock Purchase" found at pages 149 -151 and (C) the Articles and Memorandum of Association of Agritech included as Exhibits B and C to the proxy statement/prospectus.

Section 5 Corporate Governance and Management

Item 5.01 Changes in Control of Registrant.

Reference is made to the disclosure set forth under Items 2.01 and 8.01 of this Current Report on Form 8-K, which disclosure is incorporated herein by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Reference is made to the disclosure set forth under Items 2.01 and 8.01 of this Current Report on Form 8-K, which disclosure is incorporated herein by reference.

Effective as of the Closing, and as a result of the merger of Chardan with and into Agritech, the officer positions of Chardan were eliminated and the directors of Chardan (other than Kerry Propper, Remo Richli, Steven Urbach and Michael Chermak) resigned. Messrs. Propper, Richli, Urbach and Chermak will continue as directors of Agritech. In connection with the acquisition of State Harvest, five additional persons were appointed as directors of Agritech, who are Messrs. Gengchen Han, Yashang Yang, Liang Yuan, Bailiang Zhang and DaFang Huang.

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Item 5.03 Amendments to Articles of Incorporation or Bylaws.

As a result of the merger of Chardan with and into Agritech, the Articles and Memorandum of Association of Agritech are the constituent documents of the company governing shareholders rights. The forms of Articles and Memorandum of Association were filed as Exhibits B and C to the Form S-4 (No. 333-124709), effective September 27, 2005, and are incorporated herein by reference.

Item 5.06 Change in Shell Company Status

The filing that describes the material terms of the transaction by which Chardan merged with and into Agritech and Agritech acquired Origin are described in the Form S-4 (No. 333-124709), effective September 27, 2005.

Section 8

Item 8.01 Other Events.

Incorporated by reference from the Form S-4 (No. 333-124709), as effective on September 27, 2005, are the following: (A) “Enforcement of Civil Liabilities Against Foreign Persons” found at pages 11 - 12, (B) “Selected Historical Financial Information - The Origin Parties Historical Financial Information” found at page 24, (C) “Market Price Information” found at pages 28 - 29, (D) “2005 Performance Equity Plan” found at pages 88 - 96, (E) “Certain Relationships and Related Transactions” found at pages 140 - 142, (F) “Shares Eligible for Future Sale” found at page 148, and (G) “Where You Can Find More Information” found at pages153-154.

BUSINESS OF ORIGIN

General

State Harvest was established on October 6, 2004. On December 25, 2004, it entered into stock consignment agreements for the control of the Origin Operating Companies, other than Origin Biotechnology of which it owns 100% of the outstanding stock. Through the control of the four Origin Operating Companies, it will conduct operations in the field of hybrid crop seed development, production and distribution through its subsidiaries, which are Beijing Origin, Changchun Origin, Henan Origin and Origin Biotechnology, the technology-intellectual property holding and licensing company. All of the Origin Operating Companies are organized under the laws of the PRC.

The first Origin Operating Company formed was Beijing Origin, which was founded in Beijing in 1997 and began operations in 1998. The initial operations consisted of licensing existing proprietary hybrid corn seeds for development and production and initial commercial distribution of its first hybrid corn seed, YuYu 22. Although Beijing Origin and the other Origin Operating Companies have continued to license hybrid seeds from others, it is increasingly relying on its own proprietary hybrid seed varieties which it began to develop in 1998. In 2003, it began commercial distribution of OS 19, the first of Origin’s products to be entirely internally developed. To date, the majority of its revenues have depended on licensed seed. The loss of the right to grow and distribute licensed seed would result in a substantial loss of revenues to Origin and affect its ability to continue in business as it is currently operating.

The Chinese Crop Seed Market

The Chinese agricultural sector is primarily made up of small, family-owned farms. Increasingly, corn is becoming an important crop in China because it has a number of uses, including as livestock feed and a source of fuel in the form of ethanol. In addition, rice is an important human food crop and cotton is an important industrial crop.

The Chinese agricultural seed industry is fragmented, with the corn seed market being served by approximately 5,000 small, local seed suppliers. Most of these seed companies were established in the 1960s and 1970s by local county governments to address Chinese central government agricultural initiatives. They were designed at the time to provide service and support to local farmers. These local seed providers usually sell varieties of agricultural seed that have been grown in their respective locales for years.

Improved seed products have been generally available in China through large multinational suppliers, the largest being Pioneer International, Monsanto and Sygenta, each of which established operations in China more than a decade ago. These multinational companies, however, have not yet penetrated the Chinese market to any appreciable extent.

Origin was founded with a business strategy that would meet what it believes to be the needs of the small Chinese farmers. That business strategy consisted of the following elements:

(i) Relying on proprietary seed products, initially licensed and increasingly internally developed, to deliver superior value to customers and establish barriers to competition;

(ii) Devising a process for obtaining regulatory approvals for new crop seeds (a Chinese legal requirement) that has proven efficient and effective;

(iii) Establishing a broad network of farmers in several regions to participate in the seed development process and to produce crop seeds for commercial distribution once approval is received;

(iv) Creating an effective distribution system using a relatively small network of primary distributors, only one in each county with exclusive territories, with which it can deal directly and efficiently which, in turn, develop their own secondary distribution network to reach out directly to the family farmers. This distribution network is not only a means for securing and fulfilling orders, but it acts as a conduit for Origin’s marketing and technical support activities.

(v) Relying on a number of marketing activities to retain existing customers and attract new ones. These marketing activities include:

– a demonstration program that provides technical assistance to customers regarding the correct seed choice and proper cultivation methods;

– television advertising and a newsletter published three times per year that reaches nearly 2 million seed customers and provides them with information on the benefits of Origin’s products and the techniques for maximizing yields;

– a database of over 1 million customers that Origin uses to keep repeat sales at a high level, an important component of revenue growth.

(vi) Delivering service and technical support to customers throughout the growing season for its products. Customers can contact Origin through a dedicated call center that handles up to 6,000 calls per day. Field service representatives are dispatched within 48 hours of a customer’s request for help.

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This business model and strategy has proven effective. Origin has increased its annual revenues by an average of more than 30% over the three year period of fiscal 2002 through fiscal 2004. Management believes that it will also increase revenues for fiscal 2005, based on the fact that Origin receives orders with deposits well in advance of the next year's growing season, which enables it to calculate demand and make estimates of its sales volume and revenue.

Generally, Beijing Origin products carry a premium price. As explained in the Government Regulation section, approval of new seeds is granted only if seeds have an 8% or higher yield compared to control seeds and also rank in the top six of all seeds being tested in that cycle, based on monitored production in at least five different locations. Further, in China, corn, rice, cotton and other major crop seeds cannot be sold unless they pass government variety registration trials and obtain a certificate of "Authorized Crop Variety" from the Crop Variety Authorizing Committee. The committee sets standards about yields, grain quality, disease and insect resistance and requires approved seeds to meet these standards, as well as a yield increase of greater than 5% over selected base hybrids or varieties. There is no assurance that Origin's seeds are the best in any one year or that others will not be developed that are better. By reason of this government regulation, however, it is likely that new hybrids offered in China will supplant prior approved ones in terms of quality. In addition, Beijing Origin currently provides dealers a higher profit margin, and management finds that they therefore tend to promote Origin products more actively in the market place.

Intellectual Property Base

Origin has a growing portfolio of its own seed hybrids and varieties, some of which are subject to Chinese patents and patent applications. Origin considers its proprietary products and patents to be important to its business. The basis for a patent on a seed is the use of DNA fingerprinting. The presence of a DNA fingerprint enables identification of the seed and can be used to determine if others are infringing on the patent. Origin also uses additional measures of identification, including holographic coding of each bag of seed, to limit infringement and support enforcement of its rights. Farmers can call the technical support line to verify the code, ensuring the seed is a genuine Origin product. Operators note each time a code is verified, negating the possibility of a counterfeiter's repeatedly using the same number. Origin receives as many as 6,000 phone calls per day for technical assistance and code verification.

The patented seeds are as follows:

Patent	Name of Patent	Patent Number	Proprietor of Patent	Effective Period*
Design Patent	Packing bag	ZL 993 14865.4	Beijing Origin Limited	November 1, 1999 to October 31, 2009
Invention Patent	A method of producing hybrid corn seed	ZL 02146510.X	Beijing Origin Limited** Henan Agriculture University**	October 18, 2002 to October 17, 2022
Seed	LinAol	CAN 19990108.2	Beijing Origin Limited	March 1, 2003 to February 28, 2018

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* Effective period means the period from approval of the patent until its expiration.

** Henan Agricultural University and Origin share this patent relating to a proprietary method of producing hybrid corn seed. Both parties may use the method to produce seed and are not required to pay any sum to the other.

Neither party has the right to allow a third party to use the patent. Those provisions are embodied in the patent and not in a separate agreement.

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The following is a list of patents for which Origin has made application.

Name of Seed	Applicant	Date Filed	Date of Announcement	Filing Number
OS 3101	Beijing Origin Limited	January 13, 2004	May 1, 2004	20040020.7
OS 3102	Beijing Origin Limited	January 13, 2004	July 1, 2004	20040021.5
Zhongyou 85 (rice seed)	Beijing Origin Limited	August 24, 2004	January 1, 2005	20040347.8
OS (silage com) 5102	Beijing Origin Limited	April 7, 2005	September 1, 2005	20050215.8
OS 3108	Beijing Origin Limited	April 7, 2005	July 1, 2005	20050214.X
OS 3202	Beijing Origin Limited	April 7, 2005	July 1, 2005	20050213.1
OS 3111	Beijing Origin Limited	April 7, 2005	July 1, 2005	20050212.3

In addition, Origin has seven trademarks that have been registered in the PRC, which registrations cover periods expiring between 2009 through 2015. These trademarks include names and artwork and are used in connection with all their seed products and packaging.

Origin launched its first proprietary product in 2003 after six years of research and development. In 2004, Origin delivered three new proprietary seed products, and in 2005, to date, it has delivered four new proprietary seed products. With its research, breeding system and management, Origin is planning to introduce approximately 40 new proprietary products into the government testing and approval cycle in the calendar years 2005 through 2008. The testing and approval process takes three full years. Currently, Origin has seven products in the third and last year of the testing and approval cycle, 16 products in the second and 23 products in the first.

In addition to the development of its own proprietary seeds, Origin licenses the distribution of seeds developed by independent research and development institutions which have no commercialization ability or distribution channels of their own. Currently, Origin licenses 14 varieties of corn and two varieties of cotton seed which currently account for the majority of its sales. Under the typical license agreement, one of the Origin Operating Companies will license a designated product for exclusive production and marketing within China. The license fees vary in their method of determination, but generally they are a percentage of revenues from the sale of the variety or are a flat fee arrangement. No agreement either in the past or currently results in a payment in excess of 1% of the revenues of Origin. Beijing Origin has these types of agreements with Hubei Province Shiyan Agricultural Sciences Institute, China Academy of Sciences Microbiology Institute, and Corn Research Institution of Li County in Hebei Province and Henan Agricultural University. Except for the agreement with Hubei Province Shiyan Research Institute, which has a term expiring on January 10, 2008, these agreements generally have no term. The agreements may be terminated for breaches by either party. Origin may terminate the agreements at any time, in effect, by not producing seeds thereunder, without penalty.

Origin has joint development agreements with the Corn Research Institute of Li County, Hebei Province, under which Origin and the Institute are to develop several varieties of corn seed. Under these two agreements, Origin has developed and produced five seeds, which together have represented a substantial amount of sales in each of 2003 and 2004 as follows:

Seed Name	Percentage of 2003 Sales	Percentage of 2004 Sales
Liao No. 1	49.00%	50.50%
OS 17	1.14%	7.44%
Liyu 16	0.00%	0.11%
OS 19	0.09%	0.57%
Liyu 26	0.00%	0.02%
Total	50.23%	58.64%

The seeds developed under the agreements are exclusive to Origin until the agreements are terminated, and the Institute has agreed that it will not develop any derivative hybrids from these seeds. Moreover, the Institute will pay the government fees to protect the exclusivity rights of Origin. Origin must promote the seeds licensed under the agreements and is obligated to pay 0.4 RMB for each kilogram of seed produced by Origin, as a license fee, which has been less than 4.01% of the cost of goods sold. The agreement has no termination date, hence it continues until the parties jointly agree to terminate or the breach of the agreement by one party or the other.

Only one corn seed product, YuYu 22, is licensed on a non-exclusive basis. The YuYu 22 variety is licensed from Henan Agricultural University for an indefinite term. The university has granted Beijing Origin the right to produce, distribute and propagate the variety. The university also will provide technical materials and instructions, supervise seed quality and evaluate growing areas. It will also pursue the PRC New Plant Variety Notification for YuYu 22. Beijing Origin pays a technology license fee of 20RMB for each mu (unit of area equivalent to .164 of an acre) of seed production area per year which as been less than 1% the cost of goods sold. Beijing Origin is responsible for all the propagation costs, maintaining quality standards, and safeguarding the variety reputation and rights of the university. The YuYu22 seed product represented approximately 37% and 13% of sales in each of the fiscal years 2003 and 2004, respectively. There is no term for this agreement.

Except as discussed immediately above, no other seed products represented more than 10% of sales in these years. In addition, except as disclosed above, no one entity is responsible for a seed product or group of seed products that represent more than one percent of the revenues of Origin.

Ash="9%">
Balance at April 2, 2011
$484
Assumption Changes
(99)
Payments
(385)

Balance at July 2, 2011
$0

The table below summarizes the balances of the accrued facility consolidation and the changes in the accruals for the first six months of fiscal 2011 (in thousands):

Balance at January 1, 2011	$	523
Assumption Changes		(95)

Payments		(428)
Balance at July 2, 2011	$	0

2010 Severance Costs

During fiscal 2010, we had certain reduction in force activities, which resulted in severance charges of $1.1 million. The table below summarizes the balances of the accrued severance reserves and the changes in the accruals for the second quarter of fiscal 2011 (in thousands):

Balance at April 2, 2011	$	486
Assumption Changes		(191)
Payments		(103)
Balance at July 2, 2011	$	192

The table below summarizes the balances of the accrued severance reserves and the changes in the accruals for the first six months of fiscal 2011 (in thousands):

Balance at January 1, 2011	$	777
Assumption Changes		(254)
Payments		(331)
Balance at July 2, 2011	$	192

2011 Severance Costs

During fiscal 2011, we had certain reduction in force activities, which resulted in severance charges of $0.5 million. The table below summarizes the balances of the accrued severance reserves and the changes in the accruals for the second quarter of fiscal 2011 (in thousands):

Balance at April 2, 2011	$	21
Charges		345
Payments		(258)
Balance at July 2, 2011	$	108

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The table below summarizes the balances of the accrued severance reserves and the changes in the accruals for the first six months of fiscal 2011 (in thousands):

Balance at January 1, 2011	$	
Charges		461
Payments		(353)
Balance at July 2, 2011	$	108

4. Assets Held for Sale and Net Gain on Disposition

As part of our restructuring efforts to improve our cost structure and cash flow, we closed certain facilities and designated them as assets held for sale. At the time of designation, we ceased recognizing depreciation expense on these assets. As of July 2, 2011 and January 1, 2011, total assets held for sale were $2.2 million and $1.6 million respectively, and were included in Other current assets in our Consolidated Balance Sheets. During the first six months of fiscal 2011, we sold certain real properties held for sale that resulted in a $7.2 million gain recorded in Selling, general, and administrative expenses in the Consolidated Statements of Operations. All of this activity occurred during the first quarter of 2011. We continue to actively market the remaining properties that are held for sale. Due to the fact that, as of July 2, 2011 the remaining properties are all primarily land, depreciation expense is not materially impacted.

5. Comprehensive Loss

The calculation of comprehensive loss is as follows (in thousands):

	Second Quarter	
	Period from April 3, 2011 to July 2, 2011	**Period from April 4, 2010 to July 3, 2010**
Net loss	$ (9,781)	$ (3,407)
Other comprehensive (loss) income:		
Foreign currency translation	54	(742)
*Unrealized gain from cash flow hedge, net of taxes		324
Comprehensive loss	$ (9,727)	$ (3,825)

	Six Months Ended	
	Period from January 2, 2011 to July 2, 2011	**Period from January 3, 2010 to July 3, 2010**
Net loss	$ (22,107)	$ (18,146)
Other comprehensive income:		
Foreign currency translation	351	345

*Unrealized gain from cash flow hedge, net of taxes		234		649
Comprehensive loss	$	(21,522)	$	(17,152)

* For the second quarter of fiscal 2011 and for the first six months of fiscal 2011, the income tax expense related to our interest rate swap was $0.0 million and $0.2 million, respectively. For the second quarter of fiscal 2010 and the first six months of fiscal 2010, the income tax expense related to our interest rate swap was $0.2 million and $0.4 million, respectively.

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6. Employee Benefits
Defined Benefit Pension Plans

Most of our hourly employees participate in noncontributory defined benefit pension plans. These include a plan that is administered solely by us (the hourly pension plan) and union-administered multiemployer plans. Our funding policy for the hourly pension plan is based on actuarial calculations and the applicable requirements of federal law. We are required to make a $3.3 million contribution to the hourly pension plan in fiscal 2011, all of which will be funded through a pre-funded balance. Benefits under the majority of plans for hourly employees (including multiemployer plans) are primarily related to years of service.

Net periodic pension cost for our pension plans included the following (in thousands):

	Second Quarter	
	Period from April 3, 2011 to July 2, 2011	Period from April 4, 2010 to July 3, 2010
Service cost	$ 523	$ 498
Interest cost on projected benefit obligation	1,152	1,186
Expected return on plan assets	(1,376)	(1,232)
Amortization of unrecognized loss	145	123
Net periodic pension cost	$ 444	$ 575

	Six Months Ended	
	Period from January 2, 2011 to July 2, 2011	Period from January 3, 2010 to July 3, 2010
Service cost	$ 1,046	$ 996
Interest cost on projected benefit obligation	2,304	2,372
Expected return on plan assets	(2,753)	(2,464)
Amortization of unrecognized loss	290	246
Net periodic pension cost	$ 887	$ 1,150

7. Revolving Credit Facility

As of July 2, 2011, we had outstanding borrowings of $188.9 million and excess availability of $94.0 million under the terms of our revolving credit facility. The interest rate on the revolving credit facility was 4.3% at July 2, 2011. As of July 2, 2011 and January 1, 2011, we had outstanding letters of credit totaling $2.5 million and $5.9 million, respectively, primarily for the purposes of securing collateral requirements under the interest rate swap (which was terminated in March of 2011), casualty insurance programs and for guaranteeing lease and certain other obligations.

On July 7, 2010, we reached an agreement with Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, and the other signatories to our existing revolving credit facility, dated

August 4, 2006, as amended, to amend the terms thereof. This amendment extends the date of final maturity of the facility to January 7, 2014 and decreases the maximum availability under the agreement from $500 million to $400 million. This decrease does not impact our current available borrowing capacity under the amended revolving credit facility since the borrowing base, which is based on eligible accounts receivable and inventory, currently permits less than $400 million in revolving credit facility borrowings. This amendment also includes an additional $100 million uncommitted accordion credit facility, which will permit us to increase the maximum borrowing capacity up to $500 million. As a result of reducing our maximum borrowing capacity from $500 million to $400 million, we recorded expense of $0.2 million in fiscal 2010 for the write-off of the old debt issuance costs associated with the reduction in borrowing capacity. We also incurred $6.5 million in new debt issuance costs, which we capitalized and will continue to amortize to interest expense over the renewed debt term.

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As of July 2, 2011, under the amended agreement, our revolving credit facility contains customary negative covenants and restrictions for asset based loans. Our most significant covenant is a requirement that we maintain a fixed charge ratio of 1.1 to 1.0 in the event our excess availability falls below the greater of $40.0 million or the amount equal to 15% of the lesser of the borrowing base or $60.0 million (subject to increase to $75.0 million if we exercise the uncommitted accordion credit facility in full) (the Excess Availability Threshold). The fixed charge ratio is calculated as EBITDA divided by the sum of cash payments for income taxes, interest expense, cash dividends, principal payments on debt, and capital expenditures. EBITDA is defined as BlueLinx Corporation s net income before interest and tax expense, depreciation and amortization expense, and other non-cash charges. The fixed charge ratio requirement only applies to us when excess availability under our amended revolving credit facility is less than the Excess Availability Threshold for three consecutive business days. As of July 2, 2011 and through the time of the filing of this Form 10-Q, we were in compliance with all covenants. We had $94.0 and $103.4 million of availability as of July 2, 2011 and January 1, 2011, respectively. Our lowest level of fiscal month end availability in the last three years was $94.0 million as of July 2, 2011. We do not anticipate our excess availability in fiscal 2011 will drop below the Excess Availability Threshold. Should our excess availability fall below the Excess Availability Threshold for more than three consecutive business days, however, we would not meet the required fixed charge ratio with our current operating results. In addition, we must maintain a springing lock-box arrangement where customer remittances go directly to a lock-box maintained by our lenders and then are forwarded to our general bank accounts. Our outstanding borrowings are not reduced by these payments unless our excess availability is less than the Excess Availability Threshold, excluding unrestricted cash, for three consecutive business days or in the event of default. Our amended revolving credit facility does not contain a subjective acceleration clause which would allow our lenders to accelerate the scheduled maturities of our debt or to cancel our agreement. On May 11, 2011, we entered into an amendment to our revolving credit facility that revises certain of the covenants described in this paragraph, which amendment became effective subsequent to the fiscal quarter ended July 2, 2011. Refer to Footnote 13, *Subsequent Events* for additional discussion of this amendment.

On June 24, 2011, we commenced a rights offering of our common stock to our stockholders, pursuant to which we distributed to our common stockholders transferable rights to subscribe for and purchase up to $60 million of our common stock. In conjunction with the rights offering, we entered into an investment agreement with Cerberus ABP Investor LLC, which beneficially owns approximately 55% of our common stock before giving effect to the rights offering, to backstop the rights offering, subject to certain conditions, by purchasing shares of common stock that related to any rights that remained unexercised at the expiration of the rights offering. The rights offering, which expired on July 22, 2011, was fully subscribed and resulted in gross proceeds of approximately $60 million. The majority of the gross proceeds from the rights offering of approximately $56 million were used to pay down the revolving credit facility. We accounted for the rights issued as a component of additional paid in capital as they were indexed to the Company s equity and there were no net cash settlement provisions.

As of July 2, 2011, our current maturities of long-term debt related to the revolving credit facility totaled $110.6 million and $78.3 million, respectively. As indicated above, the majority of the proceeds from the rights offering were used to pay down a large portion of the revolving credit facility balance classified as current, subsequent to the fiscal quarter ended July 2, 2011. A payment on the revolving credit facility of $50.0 million was made on July 29, 2011 and an additional payment of $6.0 million was made on August 1, 2011. The remaining current maturities of long-term debt related to the revolving credit facility will be funded through seasonal working capital reductions.

We believe that amounts available from our revolving credit facility and other sources are sufficient to fund our routine operations and capital requirements for the next twelve months. If economic conditions, especially those related to the housing market, do not improve, we may need to seek additional sources of capital to support our operations.

8. Mortgage

On June 9, 2006, certain special purpose entities that are wholly-owned subsidiaries of ours entered into a $295 million mortgage loan with the German American Capital Corporation. The mortgage has a term of ten years and is secured by 55 distribution facilities and 1 office building owned by the special purpose entities. The stated interest rate on the mortgage is fixed at 6.35%. German American Capital Corporation assigned half of its interest in the mortgage loan to Wachovia Bank, National Association and both lenders securitized their Notes in separate commercial mortgage backed securities pools in 2006. Subsequent to the quarter ended July 2, 2011, an amendment to the above agreement was executed. Refer to Footnote 13 *Subsequent Events* for additional discussion of this amendment.

The mortgage loan requires interest-only payments through June 2011. The balance of the loan outstanding at the end of ten years will then become due and payable. The principal will be paid in the following increments (in thousands):

2011	$ 39,572*
2012	2,658
2013	2,881
2014	3,072
2015	3,018
Thereafter	234,211

* Payment of $38.3 million was made subsequent to the fiscal quarter ended July 2, 2011, utilizing cash held in escrow.

Subsequent to the fiscal quarter ended July 2, 2011, we entered into an amendment to the mortgage as described below in Footnote 13 *Subsequent Events*.

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9. Derivatives

We are exposed to risks such as changes in interest rates, commodity prices and foreign currency exchange rates. We employ a variety of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation or trading, and are not used to address risks related to foreign currency rates. We record derivative instruments as assets or liabilities on the balance sheet at fair value.

On June 12, 2006, we entered into an interest rate swap agreement with Goldman Sachs Capital Markets, to hedge against interest rate risks related to our variable rate revolving credit facility. The interest rate swap was terminated in March of 2011. The interest rate swap had a notional amount of $150.0 million and the terms called for us to receive interest monthly at a variable rate equal to the 30-day LIBOR and to pay interest monthly at a fixed rate of 5.4%. This interest rate swap was designated as a cash flow hedge.

During fiscal 2009, we reduced our borrowings under the revolving credit facility by $100.0 million, which reduced outstanding debt below the interest rate swap s notional amount of $150.0 million, at which point the hedge became ineffective in offsetting future changes in expected cash flows during the remaining term of the interest rate swap. As a result, changes in the fair value of the instrument were recorded through earnings from the point in time that the revolving credit facility balance was reduced below the interest rate swap s notional amount of $150.0 million, which was during the first quarter of fiscal 2009. The remaining accumulated other comprehensive income was amortized over the life of the interest rate swap to interest expense.

Changes associated with the ineffective interest rate swap recognized in the Consolidated Statements of Operations for the period from January 1, 2011 to July 2, 2011 was approximately $1.8 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss of the ineffective swap of $0.4 million offset by income of $2.2 million related to reducing the fair value of the ineffective interest rate swap liability to zero. Due to the termination of the swap in the first quarter of 2011, there was no such activity for the quarter ended July 2, 2011.

Changes associated with the ineffective interest rate swap recognized in the Consolidated Statements of Operations for the period from January 3, 2010 to July 3, 2010 were approximately $2.1 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss over the life of the ineffective swap of $1.1 million offset by income of $3.1 million related to current year changes in the fair value of the ineffective interest rate swap liability. Changes associated with the ineffective interest rate swap recognized in the Consolidated Statements of Operations for the period April 4, 2010 to July 3, 2010 were approximately $1.3 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss over the life of the ineffective swap of $0.5 million offset by income of $1.8 million related to current year changes in the fair value of the ineffective interest rate swap liability.

The following table presents a reconciliation of the unrealized losses related to our interest rate swap measured at fair value in accumulated other comprehensive loss as of July 2, 2011 (in thousands):

Balance at January 1, 2011	$	444
Amortization of accumulated other comprehensive loss recorded to interest expense		(444)
Balance at July 2, 2011	$	

The fair value of our swap liability at January 1, 2011 was $2.2 million.

10. Fair Value Measurements

We determine a fair value measurement based on the assumptions a market participant would use in pricing an asset or liability. The fair value measurement guidance established a three level hierarchy making a distinction between market participant assumptions based on (i) unadjusted quoted prices for identical assets or liabilities in an active market (Level 1), (ii) quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (Level 2), and (iii) prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (Level 3).

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We are exposed to market risks from changes in interest rates, which may affect our operating results and financial position. When deemed appropriate, we minimize our risks from interest rate fluctuations through the use of an interest rate swap. This derivative financial instrument is used to manage risk and is not used for trading or speculative purposes. The swap is valued using a valuation model that has inputs other than quoted market prices that are both observable and unobservable. The interest rate swap was terminated in March of fiscal 2011.

The following table presents a reconciliation of the level 3 interest rate swap liability measured at fair value on a recurring basis as of July 2, 2011 (in thousands):

Fair value at January 1, 2011	$	(2,195)
Realized gains included in earnings, net		2,195
Fair value at July 2, 2011	$	

The $2.2 million realized gain is included in Changes associated with ineffective interest rate swap in the Consolidated Statements of Operations for the six month period ended July 2, 2011.

Carrying amounts for our financial instruments are not significantly different from their fair value, with the exception of our mortgage. To determine the fair value of our mortgage, we used a discounted cash flow model. Assumptions critical to our fair value in the period were present value factors used in determining fair value and an interest rate. At July 2, 2011, the carrying value and fair value of our mortgage was $285.7 million and $276.7 million, respectively.

11. Related Party Transactions

Cerberus Capital Management, L.P., our equity sponsor, retains consultants that specialize in operations management and support and who provide Cerberus with consulting advice concerning portfolio companies in which funds and accounts managed by Cerberus or its affiliates have invested. From time to time, Cerberus makes the services of these consultants available to Cerberus portfolio companies. We believe that the terms of these consulting arrangements are favorable to us, or, alternatively, are materially consistent with those terms that would have been obtained by us in an arrangement with an unaffiliated third party. We have normal service, purchase and sales arrangements with other entities that are owned or controlled by Cerberus. We believe that these transactions are at arms length terms and are not material to our results of operations or financial position.

On April 26, 2011, we entered into an investment agreement with Cerberus ABP Investor LLC (Cerberus) in connection with our rights offering, which expired on July 22, 2011. Pursuant to the investment agreement, Cerberus agreed to purchase from us, unsubscribed shares of our common stock, after the other stockholders had exercised their basic subscription rights and over-subscription privileges in connection with the rights offering, such that gross proceeds of the rights offering would be no less than $60.0 million. The price per share paid by Cerberus for such common stock under the investment agreement was equal to the subscription price paid in the rights offering by all stockholders. As a result of the rights offering, Cerberus purchased only its *pro rata* share of the common stock issued in the rights offering.

12. Commitments and Contingencies

Legal Proceedings

During the first six months of fiscal 2011, there were no material changes to our previously disclosed legal proceedings. Additionally, we are, and from time to time may be, a party to routine legal proceedings incidental to the operation of our business. The outcome of any pending or threatened proceedings is not expected to have a material adverse effect on our financial condition, operating results or cash flows, based on our current understanding of the relevant facts. Legal expenses incurred related to these contingencies are generally expensed as incurred.

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Environmental and Legal Matters

From time to time, we are involved in various proceedings incidental to our businesses and we are subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which we operate. Although the ultimate outcome of these proceedings cannot be determined with certainty, based on presently available information management believes that adequate reserves have been established for probable losses with respect thereto. Management further believes that the ultimate outcome of these matters could be material to operating results in any given quarter but will not have a materially adverse effect on our long-term financial condition, our results of operations, or our cash flows.

Collective Bargaining Agreements

As of July 2, 2011, approximately 30% of our total work force is covered by collective bargaining agreements. Collective bargaining agreements representing approximately 8% of our work force have expired or will expire within one year.

13. Subsequent Events

On May 10, 2011, we entered into an amendment to our revolving credit facility, which became effective on July 29, 2011, following the successful completion of the rights offering (see Footnote 7 *Revolving Credit Facility* for more information regarding the rights offering). The amendment to the revolving credit facility (i) reduced the excess liquidity we are required to maintain under the revolving credit facility to the greater of $35 million or the amount equal to 15% of the lesser of our borrowing base or $400 million, (ii) increased the amount of our accounts receivable included in the calculation of the borrowing base to 87.5%, (iii) increased the applicable percentage of the liquidation value of our inventory included in the calculation of the borrowing base to 90% for the periods January to March 2012 and January to March 2013, subject to specified EBITDA targets, (iv) included in the calculation of our excess liquidity certain cash on the balance sheet and subject to a deposit account control agreement, and (v) decreased the amount of excess liquidity we are required to maintain in order to avoid being required to meet certain financial ratios and triggering additional limits on capital expenditures under the revolving credit facility to the greater of $30 million or the amount equal to 15% of the lesser of our borrowing base or $400 million.

On July 14, 2011, we entered into an amendment to the mortgage which (i) eliminated the requirement to obtain lender approval for any transfer of equity interests that would reduce Cerberus ABP Investor LLC s ownership in the Company and certain of our subsidiaries, directly or indirectly, to less than 51%, (ii) provided for the immediate prepayment of $38.3 million of the indebtedness under the mortgage without incurring a prepayment premium from funds currently held as collateral under the mortgage and, if certain conditions are met, will allow for an additional prepayment on or after July 30, 2014 from funds held as collateral without incurrence of a prepayment premium, (iii) allow us, at the lenders reasonable discretion, to use a portion of the cash held as collateral under the mortgage for specified alterations, repairs, replacements and other improvements to the mortgaged properties, and (iv) in the event certain financial conditions are met and the Company extends the Amended and Restated Master Lease by and among certain of our subsidiaries with respect to properties covered by the mortgage for an additional five years, we may request the lenders to disburse to the Company a portion of the cash held as collateral under the mortgage.

On July 22, 2011, the unexercised rights issued in connection with our rights offering, commenced on June 24, 2011, expired. As of that date, the rights offering was fully subscribed and, as a result, the backstop provisions with Cerberus, described in Footnote 7, were not utilized. We received cash proceeds of approximately $60 million, and issued 28.6 million shares of common stock on July 28, 2011. We used approximately $56 million of the gross proceeds from the rights offering to repay outstanding amounts under the revolving credit facility.

We are not aware of any other significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on our Consolidated Financial Statements.

14. Unaudited Supplemental Consolidating Financial Statements

The condensed consolidating financial information as of July 2, 2011 and January 1, 2011 and for the second quarters and first half of fiscal 2011 and fiscal 2010 is provided due to restrictions in our revolving credit facility that limit distributions by BlueLinx Corporation, our operating company and our wholly-owned subsidiary, to us, which, in turn, may limit our ability to pay dividends to holders of our common stock (see our Annual Report on Form 10-K for the year ended January 1, 2011, for a more detailed discussion of these restrictions and the terms of the facility). Also included in the supplemental condensed consolidated financial statements are sixty-two single member limited liability companies, which are wholly owned by us (the LLC subsidiaries). The LLC subsidiaries own certain warehouse properties that are occupied by BlueLinx Corporation, each under the terms of a master lease agreement. The warehouse properties collateralize a mortgage loan and are not available to satisfy the debts and other obligations of either us or BlueLinx Corporation.

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The consolidating statement of operations for BlueLinx Holdings Inc. for the period from April 3, 2011 to July 2, 2011 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Net sales	$	$ 500,810	$ 7,429	$ (7,429)	$ 500,810
Cost of sales		443,165			443,165
Gross profit		57,645	7,429	(7,429)	57,645
Operating expenses:					
Selling, general and administrative	1,387	62,822		(7,429)	56,780
Depreciation and amortization		1,663	961		2,624
Total operating expenses	1,387	64,485	961	(7,429)	59,404
Operating (loss) income	(1,387)	(6,840)	6,468		(1,759)
Non-operating expenses:					
Interest expense		2,980	4,750		7,730
Changes associated with ineffective interest rate swap					
Other (income) expense, net		133	1		134
(Loss) income before (benefit from) provision for income taxes	(1,387)	(9,953)	1,717		(9,623)
(Benefit from) provision for income taxes	706	122	(670)		158
Equity in loss of subsidiaries	(7,688)			7,688	
Net (loss) income	$ (9,781)	$ (10,075)	$ 2,387	$ 7,688	$ (9,781)

The consolidating statement of operations for BlueLinx Holdings Inc. for the period from April 4, 2010 to July 3, 2010 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Net sales	$	$ 540,781	$ 7,456	$ (7,456)	$ 540,781
Cost of sales		476,662			476,662
Gross profit		64,119	7,456	(7,456)	64,119
Operating expenses:					
Selling, general and administrative	1,561	62,939	45	(7,456)	57,089

Depreciation and amortization		2,473	961		3,434
Total operating expenses	1,561	65,412	1,006	(7,456)	60,523
Operating (loss) income	(1,561)	(1,293)	6,450		3,596
Non-operating expenses:					
Interest expense		3,447	4,758		8,205
Changes associated with ineffective interest rate swap		(1,256)			(1,256)
Other (income) expense, net		(48)	66		18
(Loss) income before (benefit from) provision for income taxes	(1,561)	(3,436)	1,626		(3,371)
(Benefit from) provision for income taxes	(630)	32	634		36
Equity in loss of subsidiaries	(2,476)			2,476	
Net (loss) income	$ (3,407)	$ (3,468)	$ 992	$ 2,476	$ (3,407)

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The consolidating statement of operations for BlueLinx Holdings Inc. for the period from January 2, 2011 to July 2, 2011 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Net sales	$	$ 891,414	$ 14,857	$ (14,857)	$ 891,414
Cost of sales		787,500			787,500
Gross profit		103,914	14,857	(14,857)	103,914
Operating expenses:					
Selling, general and administrative	3,005	124,301	(7,222)	(14,857)	105,227
Depreciation and amortization		3,647	1,914		5,561
Total operating expenses	3,005	127,948	(5,308)	(14,857)	110,788
Operating (loss) income	(3,005)	(24,034)	20,165		(6,874)
Non-operating expenses:					
Interest expense		7,292	9,499		16,791
Changes associated with the ineffective interest rate swap		(1,751)			(1,751)
Other expense, net		155	(6)		149
(Loss) income before (benefit from) provision for income taxes	(3,005)	(29,730)	10,672		(22,063)
(Benefit from) provision for income taxes	(3,481)	(637)	4,162		44
Equity in loss of subsidiaries	(22,583)			22,583	
Net (loss) income	$ (22,107)	$ (29,093)	$ 6,510	$ 22,583	$ (22,107)

The consolidating statement of operations for BlueLinx Holdings Inc. for the period from January 3, 2010 to July 3, 2010 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Net sales	$	$ 971,831	$ 14,912	$ (14,912)	$ 971,831
Cost of sales		855,434			855,434
Gross profit		116,397	14,912	(14,912)	116,397
Operating expenses:					
	3,456	124,969	90	(14,912)	113,603

Selling, general and administrative					
Depreciation and amortization		5,257	1,921		7,178
Total operating expenses	3,456	130,226	2,011	(14,912)	120,781
Operating (loss) income	(3,456)	(13,829)	12,901		(4,384)
Non-operating expenses:					
Interest expense		6,013	9,507		15,520
Changes associated with the ineffective interest rate swap		(2,061)			(2,061)
Other expense, net		214	37		251
(Loss) income before (benefit from) provision for income taxes	(3,456)	(17,995)	3,357		(18,094)
(Benefit from) provision for income taxes	(1,318)	61	1,309		52
Equity in loss of subsidiaries	(16,008)			16,008	
Net (loss) income	$ (18,146)	$ (18,056)	$ 2,048	$ 16,008	$ (18,146)

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The consolidating balance sheet for BlueLinx Holdings Inc. as of July 2, 2011 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Assets:					
Current assets:					
Cash	$ 90	$ 6,019	$	$	$ 6,109
Receivables		205,735			205,735
Inventories		212,654			212,654
Deferred income tax assets		59			59
Other current assets	1,955	20,306	40,641		62,902
Intercompany receivable	59,169	10,287	2,637	(72,093)	
Total current assets	61,214	455,060	43,278	(72,093)	487,459
Property and equipment:					
Land and land improvements		3,021	48,947		51,968
Buildings		9,737	87,954		97,691
Machinery and equipment		74,495			74,495
Construction in progress		1,027			1,027
Property and equipment, at cost		88,280	136,901		225,181
Accumulated depreciation		(68,271)	(27,714)		(95,985)
Property and equipment, net		20,009	109,187		129,196
Investment in subsidiaries	(67,763)			67,763	
Non-current deferred income tax assets					
Other non-current assets		18,472	141		18,613
Total assets	$ (6,549)	$ 493,541	$ 152,606	$ (4,330)	$ 635,268
Liabilities:					
Current liabilities:					
Accounts payable	$ 203	$ 95,119	$	$	95,322
Bank overdrafts		28,798			28,798
Accrued compensation	20	5,382			5,402
Current maturities of long-term debt		110,584	40,923		151,507
Other current liabilities	811	12,883	1,244		14,938
Intercompany payable	11,807	60,286		(72,093)	

Total current liabilities	12,841	313,052	42,167	(72,093)	295,967
Non-current liabilities:					
Long-term debt		78,326	244,746		323,072
Non-current deferred income tax liabilities		107			107
Other non-current liabilities	3	35,511			35,514
Total liabilities	12,844	426,996	286,913	(72,093)	654,661
Stockholders (Deficit) Equity/Parent s Investment	(19,393)	66,545	(134,307)	67,763	(19,392)
Total liabilities and equity	$ (6,549)	$ 493,541	$ 152,606	$ (4,330)	$ 635,268

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The consolidating balance sheet for BlueLinx Holdings Inc. as of January 1, 2011 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Assets:					
Current assets:					
Cash	$ 384	$ 13,913	$	$	$ 14,297
Receivables		119,202			119,202
Inventories		188,250			188,250
Deferred income tax assets, current		143			143
Other current assets	669	20,500	1,599		22,768
Intercompany receivable	57,208	8,759		(65,967)	
Total current assets	58,261	350,767	1,599	(65,967)	344,660
Property and equipment:					
Land and land improvements		3,027	49,513		52,540
Buildings		8,069	88,651		96,720
Machinery and equipment		70,860			70,860
Construction in progress		2,028			2,028
Property and equipment, at cost		83,984	138,164		222,148
Accumulated depreciation		(65,564)	(26,953)		(92,517)
Property and equipment, net		18,420	111,211		129,631
Investment in subsidiaries	(47,943)			47,943	
Other non-current assets		19,602	31,126		50,728
Total assets	$ 10,318	$ 388,789	$ 143,936	$ (18,024)	$ 525,019
Liabilities:					
Current liabilities:					
Accounts payable	$ 59	$ 62,768	$	$	62,827
Bank overdrafts		23,089			23,089
Accrued compensation		4,594			4,594
Current maturities of long-term debt			1,190		1,190
Other current liabilities		15,065	483	1,244	16,792
Intercompany payable	9,264	57,947		(67,211)	
Total current liabilities	9,323	163,463	1,673	(65,967)	108,492

Non-current liabilities:									
Long-term debt				97,200		284,479				381,679
Non-current deferred income tax liabilities				192						192
Other non-current liabilities		4		33,661						33,665
Total liabilities		9,327		294,516		286,152		(65,967)		524,028
Stockholders Equity (Deficit)/Parent s Investment		991		94,273		(142,216)		47,943		991
Total liabilities and equity	$	10,318	$	388,789	$	143,936	$	(18,024)	$	525,019

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The consolidating statement of cash flows for BlueLinx Holdings Inc. for the period from January 2, 2011 to July 2, 2011 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net (loss) income	$ (22,107)	$ (29,093)	$ 6,510	$ 22,583	$ (22,107)
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:					
Depreciation and amortization		3,647	1,914		5,561
Amortization of debt issuance costs		1,094			1,094
Gain from the sale of properties			(7,222)		(7,222)
Changes associated with the ineffective interest rate swap		(1,751)			(1,751)
Deferred income tax benefit		(214)			(214)
Share-based compensation expense		1,137			1,137
Decrease (increase) in restricted cash		432			432
Equity in earnings of subsidiaries	22,583			(22,583)	
Changes in assets and liabilities:					
Receivables		(86,533)			(86,533)
Inventories		(24,404)			(24,404)
Accounts payable	123	32,352	20		32,495
Changes in other working capital	(452)	566	(208)	(1,244)	(1,338)
Intercompany receivable	(1,961)	(1,528)	(1,519)	5,008	
Intercompany payable	2,543	2,339	(1,118)	(3,764)	
Other	17	(458)	2,245		1,804
Net cash provided by (used in) operating activities	746	(102,414)	622		(101,046)
Cash flows from investing activities:					
Investment in subsidiaries	(1,040)		1,040		
Property, plant and equipment investments		(2,702)	(2,818)		(5,520)
Proceeds from disposition of assets			8,971		8,971
Net cash (used in) provided by investing activities	(1,040)	(2,702)	7,193		3,451

Cash flows from financing activities:					
Net transactions with Parent					
Repurchase of common stock					
Increase in revolving credit facility		91,710			91,710
Payments on capital lease obligations		(197)			(197)
Increase in bank overdrafts		5,709			5,709
Increase in restricted cash related to the mortgage			(7,815)		(7,815)
Intercompany receivable					
Intercompany payable					
Other					
Net cash provided by (used in) financing activities		97,222	(7,815)		89,407
Decrease in cash	(294)	(7,894)			(8,188)
Balance, beginning of period	384	13,913			14,297
Balance, end of period	$ 90	$ 6,019	$	$	$ 6,109
Noncash transactions					
Capital leases	$	$ 2,544	$	$	$ 2,544

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The consolidating statement of cash flows for BlueLinx Holdings Inc. for the period from January 3, 2010 to July 3, 2010 follows (in thousands):

	BlueLinx Holdings Inc.	BlueLinx Corporation and Subsidiaries	LLC Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net (loss) income	$ (18,146)	$ (18,056)	$ 2,048	$ 16,008	$ (18,146)
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:					
Depreciation and amortization		5,254	1,924		7,178
Amortization of debt issuance costs		43	336		379
Payments from terminating the Georgia-Pacific supply agreement		4,706			4,706
Changes associated with the ineffective interest rate swap		(2,061)			(2,061)
Deferred income tax benefit		(414)			(414)
Share-based compensation expense	910	1,059			1,969
Decrease in restricted cash related to the ineffective interest rate swap, insurance, and other		5,607			5,607
Equity in earnings of subsidiaries	16,008			(16,008)	
Changes in assets and liabilities:					
Receivables		(82,222)			(82,222)
Inventories		(52,973)			(52,973)
Accounts payable	4	38,856			38,860
Changes in other working capital	246	19,503	(1,211)		18,538
Intercompany receivable	10,376	(471)		(9,905)	
Intercompany payable	(1,937)	(9,433)	1,465	9,905	
Other	(14)	(2,253)	(28)		(2,295)
Net cash provided by (used in) operating activities	7,447	(92,855)	4,534		(80,874)
Cash flows from investing activities:					
Investment in subsidiaries	(2,123)			2,123	
Property, plant and equipment investments		(1,263)			(1,263)
Proceeds from disposition of assets		656			656

Net cash (used in) provided by investing activities	(2,123)	(607)		2,123	(607)
Cash flows from financing activities:					
Net transactions with Parent			2,123	(2,123)	
Repurchase of common stock	(583)				(583)
Increase in revolving credit facility		68,687			68,687
Payments on capital lease obligations		(473)			(473)
Increase in bank overdrafts		9,880			9,880
Increase in restricted cash related to the mortgage			(6,581)		(6,581)
Debt financing costs		(43)	(48)		(91)
Intercompany receivable	(4,716)			4,716	
Intercompany payable		4,716		(4,716)	
Other	6				6
Net cash (used in) provided by financing activities	(5,293)	82,767	(4,506)	(2,123)	70,845
Increase (decrease) in cash	31	(10,695)	28		(10,636)
Balance, beginning of period	32	29,129	296		29,457
Balance, end of period	$ 63	$ 18,434	$ 324	$	$ 18,821

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) has been derived from our historical financial statements and is intended to provide information to assist you in better understanding and evaluating our financial condition and results of operations. We recommend that you read this MD&A section in conjunction with our consolidated financial statements and notes to those statements included in Item 1 of this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the year ended January 1, 2011 as filed with the U.S. Securities and Exchange Commission (the SEC). This MD&A section is not a comprehensive discussion and analysis of our financial condition and results of operations, but rather updates disclosures made in the aforementioned filing. The discussion below contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words believe, anticipate, expect, estimate, intend, project, plan, will be, will likely continue, will likely r phrases of similar meaning. All of these forward-looking statements are based on estimates and assumptions made by our management that, although believed by us to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements. These risks and uncertainties may include those discussed under the heading Risk Factors in our Annual Report on Form 10-K for the year ended January 1, 2011 as filed with the SEC and other factors, some of which may not be known to us. We operate in a changing environment in which new risks can emerge from time to time. It is not possible for management to predict all of these risks, nor can it assess the extent to which any factor, or a combination of factors, may cause our business, strategy or actual results to differ materially from those contained in forward-looking statements. Factors you should consider that could cause these differences include, among other things:

- changes in the prices, supply and/or demand for products which we distribute, especially as a result of conditions in the residential housing market;
- inventory levels of new and existing homes for sale;
- general economic and business conditions in the United States;
- the financial condition and credit worthiness of our customers;
- the activities of competitors;
- changes in significant operating expenses;
- fuel costs;
- risk of losses associated with accidents;
- exposure to product liability claims;
- changes in the availability of capital and interest rates;
- immigration patterns and job and household formation;
- our ability to identify acquisition opportunities and effectively and cost-efficiently integrate acquisitions;
- adverse weather patterns or conditions;
- acts of war or terrorist activities;
- variations in the performance of the financial markets, including the credit markets;
- the other factors described herein under and in our Annual Report on Form 10-K for the year ended January 1, 2011 as filed with the SEC.

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Given these risks and uncertainties, we caution you not to place undue reliance on forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

Overview

Background

We are a leading distributor of building products in the United States. We distribute approximately 10,000 products to more than 11,500 customers through our network of approximately 60 distribution centers which serve all major metropolitan markets in the United States. We distribute products in two principal categories: structural products and specialty products. Structural products include plywood, oriented strand board (OSB), rebar and remesh, lumber and other wood products primarily used for structural support, walls and flooring in construction projects. Structural products represented approximately 38% of our second quarter of fiscal 2011 gross sales. Specialty products include roofing, insulation, moulding, engineered wood, vinyl products (used primarily in siding), outdoor living, and metal products (excluding rebar and remesh). Specialty products accounted for approximately 62% of our second quarter of fiscal 2011 gross sales.

Industry Conditions

As noted above, we operate in a changing environment in which new risks can emerge from time to time. A number of factors cause our results of operations to fluctuate from period to period. Many of these factors are seasonal or cyclical in nature. Conditions in the United States housing market are at historically low levels. Our operating results have declined during the past several years as they are closely tied to U.S. housing starts. Additionally, the mortgage markets have experienced substantial disruption due to the number of defaults in the market. This disruption and the related defaults have increased the inventory of homes for sale and also have caused lenders to tighten mortgage qualification criteria which further reduces demand for new homes. We expect the downturn in new housing activity will continue to negatively impact our operating results for the foreseeable future. We continue to prudently manage our inventories, receivables and spending in this environment. However, along with many forecasters, we believe U.S. housing demand will improve in the long term based on population demographics and a variety of other factors.

Selected Factors Affecting Our Operating Results

Our operating results are affected by housing starts, mobile home production, industrial production, repair and remodeling spending and non-residential construction. Our operating results are also impacted by changes in product prices. Structural product prices can vary significantly based on short-term and long-term changes in supply and demand. The prices of specialty products can also vary from time to time, although they are generally significantly less variable than structural products.

The following table sets forth changes in net sales by product category, sales variances due to changes in unit volume and dollar and percentage changes in unit volume and price versus comparable prior periods, in each case for the second quarter of fiscal 2011, the second quarter of fiscal 2010, the first six months of fiscal 2011, the first six months of fiscal 2010, fiscal 2010 and fiscal 2009.

	Fiscal Q2 2011	Fiscal Q2 2010	Fiscal 2011 YTD	Fiscal 2010 YTD	Fiscal 2010	Fiscal 2009
			(Dollars in millions) (Unaudited)			
Sales by Category						
Structural Products	$ 194	$ 265	$ 355	$ 469	$ 838	$ 738
Specialty Products	317	286	552	519	1,005	948
Other(1)	(10)	(10)	(16)	(16)	(39)	(40)
Total Sales	$ 501	$ 541	$ 891	$ 972	$ 1,804	$ 1,646
Sales Variances						

Unit Volume $ Change	$ (3)	$ 51	$ (23)	$ 57	$ 36	$ (1,036)
Price/Other(1)	(37)	66	(58)	84	122	(98)
Total $ Change	$ (40)	$ 117	$ (81)	$ 141	$ 158	$ (1,134)
Unit Volume % Change	(0.5)%	11.9%	(2.4)%	6.7%	2.2%	(36.6)%
Price/Other(1)	(6.7)%	15.8%	(5.8)%	10.3%	7.4%	(4.2)%
Total % Change	(7.2)%	27.7%	(8.2)%	17.0%	9.6%	(40.8)%

(1) Other includes unallocated allowances and discounts.

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The following table sets forth changes in gross margin dollars and percentage changes by product category, and percentage changes in unit volume growth by product, in each case for the second quarter of fiscal 2011, the second quarter of fiscal 2010, the first six months of fiscal 2011, the first six months of fiscal 2010, fiscal 2010 and fiscal 2009.

	Fiscal Q2 2011	Fiscal Q2 2010	Fiscal 2011 YTD	Fiscal 2010 YTD	Fiscal 2010	Fiscal 2009
			(Dollars in millions) (Unaudited)			
Gross Margin $ s by Category						
Structural Products	$ 17	$ 24	$ 34	$ 46	$ 77	$ 73
Specialty Products	46	44	79	77	148	132
Other (1)	(5)	(4)	(9)	(7)	(14)	(12)
Total Gross Margin $ s	$ 58	$ 64	$ 104	$ 116	$ 211	$ 193
Gross Margin % s by Category						
Structural Products	8.8%	9.1%	9.6%	9.8%	9.1%	9.9%
Specialty Products	14.5%	15.4%	14.3%	14.8%	14.7%	13.9%
Total Gross Margin % s	11.5%	11.9%	11.7%	12.0%	11.7%	11.7%
Unit Volume Change by Product						
Structural Products	(18.9)%	9.7%	(21.6)%	5.0%	(2.5)%	(40.3)%
Specialty Products	16.5%	13.5%	15.0%	8.0%	5.7%	(32.8)%
Total Change in Unit Volume % s	(0.5)%	11.9%	(2.4)%	6.7%	2.2%	(36.6)%

(1) Other includes unallocated allowances and discounts.

The following table sets forth changes in net sales and gross margin by channel and percentage changes in gross margin by channel, in each case for the second quarter of fiscal 2011, the second quarter of fiscal 2010, the first six months of fiscal 2011, the first six months of fiscal 2010, fiscal 2010 and fiscal 2009.

	Fiscal Q2 2011	Fiscal Q2 2010	Fiscal 2011 YTD	Fiscal 2010 YTD	Fiscal 2010	Fiscal 2009
			(Dollars in millions) (Unaudited)			
Sales by Channel						
Warehouse/Reload	$ 400	$ 423	$ 708	$ 758	$ 1,429	$ 1,251
Direct	111	128	199	230	414	435
Other(1)	(10)	(10)	(16)	(16)	(39)	(40)
Total	$ 501	$ 541	$ 891	$ 972	$ 1,804	$ 1,646

Gross Margin by Channel

Warehouse/Reload	$	55	$	60	$	100	$	111	$	201	$	177
Direct		8		8		13		12		24		28
Other(1)		(5)		(4)		(9)		(7)		(14)		(12)
Total	$	58	$	64	$	104	$	116	$	211	$	193

	Fiscal Q2 2011	**Fiscal Q2 2010**	**Fiscal 2011 YTD**	**Fiscal 2010 YTD**	**Fiscal 2010**	**Fiscal 2009**
			(Dollars in millions) (Unaudited)			
Gross Margin % by Channel						
Warehouse/Reload	13.8%	14.2%	14.1%	14.6%	14.1%	14.1%
Direct	7.2%	6.3%	6.5%	5.2%	5.8%	6.4%
Total	11.5%	11.9%	11.7%	12.0%	11.7%	11.7%

(1) Other includes unallocated allowances and adjustments.

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Fiscal Year

Our fiscal year is a 52- or 53-week period ending on the Saturday closest to the end of the calendar year. Fiscal year 2011 and fiscal year 2010 each contain 52 weeks.

Results of Operations

Second Quarter of Fiscal 2011 Compared to Second Quarter of Fiscal 2010

The following table sets forth our results of operations for the second quarter of fiscal 2011 and second quarter of fiscal 2010.

	Second Quarter of Fiscal 2011 (Unaudited)	% of Net Sales	Second Quarter of Fiscal 2010 (Unaudited)	% of Net Sales
	(Dollars in thousands)			
Net sales	$ 500,810	100.0%	$ 540,781	100.0%
Gross profit	57,645	11.5%	64,119	11.9%
Selling, general and administrative	56,780	11.3%	57,089	10.6%
Depreciation and amortization	2,624	0.5%	3,434	0.6%
Operating (loss) income	(1,759)	(0.4%)	3,596	0.7%
Interest expense	7,730	1.5%	8,205	1.5%
Changes associated with the ineffective interest rate swap		0.0%	(1,256)	(0.2)%
Other expense, net	134	0.0%	18	0.0%
Loss before provision for income taxes	(9,623)	(1.9)%	(3,371)	(0.6)%
Provision for income taxes	158	0.0%	36	0.0%
Net loss	$ (9,781)	(2.0)%	$ (3,407)	(0.6)%

Net sales. For the second quarter of fiscal 2011, net sales decreased by 7.4%, or $40.0 million, to $500.8 million. Sales during the quarter were negatively impacted by a decrease in housing starts and a reduction in sales volume. New home construction has a significant impact on our sales. Specialty sales, primarily consisting of roofing, specialty panels, insulation, moulding, engineered wood products, vinyl siding, composite decking and metal products (excluding rebar and remesh) increased by $30.6 million, or 10.7%, compared to the second quarter of fiscal 2010, primarily due to an increase in specialty unit volume of 16.5%, partially offset by a decrease in specialty products prices of 5.9%. Structural sales, including plywood, OSB, lumber and metal rebar, decreased by $71.8 million, or 27.0% from a year ago, primarily as a result of a decrease in unit volume of 18.9% and a decrease in structural product prices of 8.2%.

Gross profit. Gross profit for the second quarter of fiscal 2011 was $57.6 million, or 11.5% of sales, compared to $64.1 million, or 11.9% of sales, in the prior year period. The decrease in gross profit dollars compared to the second quarter of fiscal 2010 was driven primarily by a decrease in structural product volumes of 18.9%, due to the Company s efforts to manage gross margin under commodity pricing pressure coupled with the expiration of the housing credit in April 2010. The decrease in structural volumes was offset by an increase in specialty product volumes of 16.5%. The gross margin percentage decreased by 40 basis points to 11.5% primarily due to a shift from the warehouse channel to the reload channel and lower prices, which were temporarily inflated in the year-ago period due to the Chilean earthquake.

Selling , general, and administrative expenses. Selling, general and administrative expenses were $56.8 million, or 11.3% of net sales, for the second quarter of fiscal 2011, compared to $57.1 million, or 10.6% of net sales, a $0.3 million decrease compared to the second quarter of fiscal 2010. This decrease is primarily due to the reduction in variable compensation of $0.9 million and a gain on sales of assets of $0.5 million, partially offset by a $1.1 million increase in fuel expense.

Depreciation and amortization. Depreciation and amortization expense totaled $2.6 million for the second quarter of fiscal 2011, compared to $3.4 million for the second quarter of fiscal 2010. The $0.8 million decrease in depreciation and amortization is primarily related to a portion of our property and equipment becoming fully depreciated during fiscal 2011 coupled with capital expenditures not keeping pace with our historical purchase levels of property and equipment and sales of certain depreciable assets during the current period.

Operating (loss) income. Operating loss for the second quarter of fiscal 2011 was $(1.8) million, or (0.4)% of sales, compared to operating income of $3.6 million, or 0.7% of sales, in the second quarter of fiscal 2010, reflecting a decrease in gross profit dollars of $6.5 million, as a result of factors described above. This decrease is partially offset by a decrease in selling, general, and administrative expenses and depreciation of $0.3 million and $0.8 million, respectively.

Interest expense. Interest expense totaled $7.7 million for the second quarter of fiscal 2011 compared to $8.2 million for the second quarter of fiscal 2010. The $0.5 million decline is largely due to the termination of the ineffective interest rate swap in March of fiscal 2011, which eliminated related fees classified as interest expense of $1.9 million. This decrease was partially offset by a $0.2 million increase in amortization of debt issuance costs and a $1.2 million increase in interest expense incurred on the revolving credit facility. Interest expense included $0.7 million and $0.5 million of debt issue cost amortization for the second quarter of fiscal 2011 and the second quarter of fiscal 2010, respectively. During the second quarter of fiscal 2011, interest expense related to our revolving credit facility and mortgage was $2.4 million and $4.6 million, respectively. During the second quarter of fiscal 2010, interest expense related to our revolving credit facility and mortgage was $1.2 million and $4.6 million, respectively. See Liquidity and Capital Resources below for a description of amendments to both the revolving credit facility and the mortgage.

Changes associated with ineffective interest rate swap. The $1.3 million of income for the second quarter of fiscal 2010 is related to the ineffective interest rate swap which was terminated in March of fiscal 2011.

Provision for income taxes. The effective tax rate was (1.6)% and (1.1)% for the second quarter of fiscal 2011 and the second quarter of fiscal 2010, respectively. The unusual effective tax rate in both periods is driven by a full valuation allowance recorded against our second quarter federal and state benefit and tax expense related to gross receipts, Canadian and certain state taxes.

Net loss. Net loss for the second quarter of fiscal 2011 was $(9.8) million compared to a net loss of $(3.4) million for the second quarter of fiscal 2010 as a result of the above factors.

On a per-share basis, basic and diluted loss applicable to common stockholders for the second quarter of fiscal 2011 and for the second quarter of fiscal 2010 were each $(0.31) and $(0.11), respectively.

First Six Months of Fiscal 2011 Compared to First Six Months of Fiscal 2010

The following table sets forth our results of operations for the first six months of fiscal 2011 and the first six months of fiscal 2010.

	First Six Months of Fiscal 2011 (Unaudited)	% of Net Sales	First Six Months of Fiscal 2010 (Unaudited)	% of Net Sales
	(Dollars in thousands)			
Net sales	$ 891,414	100.0%	$ 971,831	100.0%
Gross profit	103,914	11.7%	116,397	12.0%
Selling, general and administrative	105,227	11.8%	113,603	11.7%
Depreciation and amortization	5,561	0.6%	7,178	0.7%
Operating loss	(6,874)	(0.8)%	(4,384)	(0.5)%
Interest expense	16,791	1.9%	15,520	1.6%
Changes associated with the ineffective interest rate swap	(1,751)	(0.2)%	(2,061)	(0.2)%
Other expense, net	149	0.0%	251	0.0%
Loss before provision for income taxes	(22,063)	(2.5)%	(18,094)	(1.9)%
Provision for income taxes	44	0.0%	52	0.0%
Net loss	$ (22,107)	(2.5)%	$ (18,146)	(1.9)%

Net sales. For the first six months of fiscal 2011, net sales decreased by 8.2%, or $80.4 million, to $891.4 million. Sales during the first six months were negatively impacted by a decrease in housing starts and a decrease of 21.6% in structural product volumes. New home construction has a significant impact on our sales. Specialty sales, primarily consisting of roofing, specialty panels, insulation, moulding, engineered wood products, vinyl siding, composite decking and metal products (excluding rebar and remesh) increased by $32.5 million or 6.3% compared to the first six months of fiscal 2010, reflecting a 15.0% increase in unit volume and a 8.8% decrease in prices. Structural sales, including plywood, OSB, lumber and metal rebar, decreased by $114.2 million, or 24.3% from a year ago, primarily due to a 21.6% decrease in unit volume and a 2.7% decrease in product prices.

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Gross profit. Gross profit for the first six months of fiscal 2011 was $103.9 million, or 11.7% of sales, compared to $116.4 million, or 12.0% of sales, in the prior year period. The decrease in gross profit dollars compared to the first six months of fiscal 2010 was driven primarily by a decrease in structural unit volumes of 21.6%, due to the Company s efforts to manage gross margin under commodity pricing pressure coupled with the expiration of the housing credit in April 2010. The gross margin percentage decreased by 30 basis points to 11.7% primarily due to a shift from the warehouse channel to the reload channel and lower prices, which were temporarily inflated in the year-ago period due to the Chilean earthquake.

Selling, general, and administrative. Selling, general and administrative expenses for the first six months of fiscal 2011 were $105.2 million, or 11.8% of net sales, compared to $113.6 million, or 11.7% of net sales, during the first six months of fiscal 2010. The decrease in selling, general, and administrative expenses was primarily due to inclusion of a $7.2 million gain on sale of real estate in the first six months of 2011.

Depreciation and amortization. Depreciation and amortization expense totaled $5.6 million for the first six months of fiscal 2011, compared with $7.2 million for the first six months of fiscal 2010. The $1.6 million decrease in depreciation and amortization is primarily related to a portion of our property and equipment becoming fully depreciated during fiscal 2011 coupled with capital expenditures not keeping pace with our historical purchase levels of property and equipment. In addition, certain depreciating assets were sold during the current period.

Operating loss. Operating loss for the first six months of fiscal 2011 was $(6.9) million, or (0.8)% of sales, compared to $(4.4) million, or (0.5)% of sales, in the prior year period. The change in operating loss reflects a $12.5 million decrease in gross profit as a result of the above factors. This decrease is partially offset by a decrease in selling, general, and administrative expenses, resulting primarily from the sale of real estate, and depreciation of $8.4 million and $1.6 million, respectively.

Interest expense. Interest expense totaled $16.8 million for the first six months of fiscal 2011 compared to $15.5 million for the first six months of fiscal 2010. The $1.3 million increase is largely due to a $2.3 million increase in interest expense from our revolving credit facility related to a higher average debt balance and a $0.7 million increase in amortization of debt issuance costs related to the additional costs capitalized for the amendment of the revolving credit facility in 2010. This increase was offset by a decrease of $1.7 million in swap and other fixed charges due to the conclusion of the interest rate swap. Interest expense included $1.1 million and $0.4 million of debt issue cost amortization for the first six months of fiscal 2011 and for the first six months of fiscal 2010, respectively. During the first six months of fiscal 2011, interest expense related to our revolving credit facility and mortgage was $4.3 million and $9.2 million, respectively. During the first six months of fiscal 2010, interest expense related to our revolving credit facility and mortgage was $2.1 million and $9.2 million, respectively. See Liquidity and Capital Resources below for a description of amendments to both the revolving credit facility and the mortgage.

Changes associated with ineffective interest rate swap. Changes associated with the ineffective interest rate swap totaled $1.8 million of income for the first six months of fiscal 2011 compared to $2.1 million of income for the first six months of fiscal 2010. The decrease is primarily related to the change in the swap s fair value and a decrease in amortization expense due to the termination of the swap in March 2011.

Provision for income taxes. The effective tax rate was (0.2)% and (0.3)% for the first six months of fiscal 2011 and the first six months of fiscal 2010, respectively. The unusual effective tax rate in both periods is driven by a full valuation allowance recorded against our year to date federal and state benefit and tax expense related to gross receipts, Canadian and certain state taxes.

Net loss. Net loss for the first six months of fiscal 2011 was $(22.1) million compared to a net loss of $(18.1) million for the first six months of fiscal 2010 as a result of the above factors.

On a per-share basis, basic and diluted loss per share applicable to common stockholders for the first six months of fiscal 2011 and for the first six months of fiscal 2010 were $(0.71) and $(0.59), respectively.

Seasonality

We are exposed to fluctuations in quarterly sales volumes and expenses due to seasonal factors. These seasonal factors are common in the building products distribution industry. The first and fourth quarters are typically our slowest quarters due to the impact of poor weather on the construction market. Our second and third quarters are typically our strongest quarters, reflecting a substantial increase in construction due to more favorable weather conditions. Our working capital and accounts receivable and payable generally peak in the third quarter, while inventory generally peaks in the second quarter in anticipation of the summer building season.

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Liquidity and Capital Resources

We depend on cash flow from operations and funds available under our revolving credit facility to finance working capital needs and capital expenditures. We had approximately $94.0 million of excess availability under our amended revolving credit facility as of July 2, 2011. As of the period ended July 2, 2011, under our amended revolving credit facility, we were required to maintain our excess availability above the greater of $40.0 million or the amount equal to 15% of the lesser of the borrowing base, as defined therein, or $60.0 million (subject to increase to $75.0 million if we exercise the uncommitted accordion provision in the amended revolving credit facility in full). If we fail to maintain this minimum excess availability, the amended revolving credit facility requires us to (i) maintain certain financial ratios, which we would not meet with current operating results, and (ii) limit our capital expenditures, which would have a negative impact on our ability to finance working capital needs and capital expenditures. As described under the *Debt and Credit Sources* section below, subsequent to the fiscal quarter end, an amendment to the revolving credit facility became effective that impacts the covenants described above.

On July 24, 2011, we commenced a rights offering of our common stock to our stockholders, pursuant to which we distributed to our common stockholders transferable rights to subscribe for and purchase up to $60 million of our common stock. In conjunction with the rights offering, we entered into an investment agreement with Cerberus ABP Investor LLC, which beneficially owns approximately 55% of our common stock before giving effect to the rights offering, to backstop the rights offering, subject to certain conditions, by purchasing shares of common stock that related to any rights that remained unexercised at the expiration of the rights offering. The rights offering, which expired on July 22, 2011, was fully subscribed and resulted in gross proceeds of approximately $60 million. The majority of the gross proceeds from the rights offering of approximately $56 million were used to pay down the revolving credit facility. We accounted for the rights issued as a component of additional paid in capital as they were indexed to the Company s equity and there were no net cash settlement provisions. The rights offering was contingent on entry by us into amendments to both our revolving credit facility and our mortgage. Both amendments are described in Footnote 13 *Subsequent Events*. We believe that the amounts available from our revolving credit facility and other sources are sufficient to fund our routine operations and capital requirements for the next twelve months. If economic conditions, especially those related to the housing market, do not improve, we may need to seek additional sources of capital to support our operations.

We may elect to selectively pursue acquisitions. Accordingly, depending on the nature of the acquisition or currency, we may use cash or stock, or a combination of both, as acquisition currency. Our cash requirements may significantly increase and incremental cash expenditures will be required in connection with the integration of the acquired company s business and to pay fees and expenses in connection with any acquisitions. To the extent that significant amounts of cash are expended in connection with acquisitions, our liquidity position may be adversely impacted. In addition, there can be no assurance that we will be successful in completing acquisitions in the future. For a discussion of the risks associated with acquisitions, see the risk factor Integrating acquisitions may be time-consuming and create costs that could reduce our net income and cash flows set forth under Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended January 1, 2011, as filed with the SEC.

The following tables indicate our working capital and cash flows for the periods indicated.

	July 2, 2011	January 1, 2011
	(Dollars in thousands) (Unaudited)	
Working capital	$ 191,492	$ 236,168

	First Six Months of Fiscal 2011	First Six Months of Fiscal 2010
	(Dollars in thousands) (Unaudited)	

Cash flows used in operating activities	$ (101,046)	$ (80,874)
Cash flows provided by (used in) investing activities	3,451	(607)
Cash flows provided by financing activities	89,407	70,845

Working Capital

Working capital decreased by $44.7 million to $191.5 million at July 2, 2011 from $236.2 million at January 1, 2011. The decrease in working capital was primarily attributable to increases in our current maturities of long term debt related to the amendments to the revolving credit facility and mortgage. As part of the amendments to our revolving credit facility and the mortgage, we used the majority of the net proceeds obtained from the stock rights offering, subsequent to the quarter end, to repay outstanding amounts under the revolving credit facility and used cash held in escrow to pay down the mortgage in July 2011. Our accounts payable and overdrafts also increased as we purchased more products to meeting existing demand. These changes are partially offset by increases in receivables and inventory. We increased inventory levels to meet existing demand, and the increase in accounts receivable is due to increased sales volume due to seasonality.

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Operating Activities

During the first six months of fiscal 2011, cash flows used in operating activities totaled $101.0 million. The primary drivers of cash flow used in operations were increases in accounts receivable of $86.5 million due to an increase in sales volume coupled with seasonal payment patterns and an increase in inventories of $24.4 million due to an increase in purchases to meet current demand. These cash outflows were offset by an increase in accounts payable of $32.5 million due the seasonality of our business and the related purchasing patterns.

During the first six months of fiscal 2010, cash flows used in operating activities totaled $80.9 million. The primary drivers of cash flow used in operations were increases in accounts receivable of $82.2 million due to an increase in sales volume coupled with seasonal payment patterns and an increase in inventories of $53.0 million due to an increase in prices for certain structural products and an increase in purchases to meet current demand. These cash outflows were offset by an increase in accounts payable of $38.9 million due the seasonality of our business. In addition, changes in other working capital increased by $18.5 million largely due to a federal tax refund of $20.0 million received in fiscal 2010.

Investing Activities

During the first six months of fiscal 2011 and fiscal 2010, cash flows provided by (used in) investing activities totaled $3.5 million and $(0.6) million, respectively.

During the first six months of fiscal 2011 and fiscal 2010, our expenditures for property and equipment were $5.5 million and $1.3 million, respectively. These expenditures were used primarily to purchase a replacement property for a facility sold during the first quarter of 2011, computer equipment and leasehold improvements. Our capital expenditures for fiscal 2011 are anticipated to be paid from our revolving credit facility.

Proceeds from the disposition of property totaled $9.0 million and $0.7 million for the first six months of fiscal 2011 and fiscal 2010, respectively. The proceeds from disposition of assets in the first six months of fiscal 2011 were primarily related to the sale of our Nashville facility for $6.9 million.

Financing Activities

Net cash provided by financing activities was $89.4 million and $70.8 million during the first six months of fiscal 2011 and the first six months of fiscal 2010, respectively. The net cash provided by financing activities primarily reflected an increase in the balance of our revolving credit facility of $91.7 million and an increase in bank overdrafts of $5.7 million partially offset by an increase in restricted cash related to our mortgage of $7.8 million. The net cash provided by financing activities in the first six months of fiscal 2010 primarily reflected an increase in the balance of our revolving credit facility of $68.7 million and an increase in bank overdrafts of $9.9 million partially offset by an increase in restricted cash related to our mortgage of $6.6 million.

Debt and Credit Sources

As of July 2, 2011, we had outstanding borrowings of $188.9 million and excess availability of $94.0 million under the terms of our revolving credit facility. The interest rate on the revolving credit facility was 4.3% at July 2, 2011. As of July 2, 2011 and January 1, 2011, we had outstanding letters of credit totaling $2.5 million and $5.9 million, respectively, primarily for the purposes of securing collateral requirements under the interest rate swap (which was terminated in March of 2011), casualty insurance programs and for guaranteeing lease and certain other obligations.

On July 7, 2010, we reached an agreement with Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, and the other signatories to our existing revolving credit facility, dated August 4, 2006, as amended, to amend the terms thereof. This amendment extends the date of final maturity of the facility to January 7, 2014 and decreases the maximum availability under the agreement from $500 million to $400 million. This decrease does not impact our current available borrowing capacity under the amended revolving credit facility since the borrowing base, which is based on eligible accounts receivable and inventory, currently permits less than $400 million in revolving credit facility borrowings. This amendment also includes an additional $100 million uncommitted accordion credit facility, which will permit us to increase the maximum borrowing capacity up to $500 million. As a result of reducing our maximum borrowing capacity from $500 million to $400 million, we recorded expense of $0.2 million in fiscal 2010 for the write-off of the old debt issuance costs associated with the reduction in borrowing capacity. We also incurred $6.5 million in new debt issuance costs, which we capitalized and will continue to amortize to interest expense over the renewed debt term.

As of July 2, 2011, under the amended agreement, our revolving credit facility contains customary negative covenants and restrictions for asset based loans. Our most significant covenant is a requirement that we maintain a fixed charge ratio of 1.1 to 1.0 in the event our excess availability falls below the greater of $40.0 million or the amount equal to 15% of the lesser of the borrowing base or $60.0 million (subject to increase to $75.0 million if we exercise the uncommitted accordion credit facility in full) (the Excess Availability Threshold). The fixed charge ratio is calculated as EBITDA divided by the sum of cash payments for income taxes, interest expense, cash dividends, principal payments on debt, and capital expenditures. EBITDA is defined as BlueLinx Corporation s net income before interest and tax expense, depreciation and amortization expense, and other non-cash charges. The fixed charge ratio requirement only applies to us when excess availability under our amended revolving credit facility is less than the Excess Availability Threshold for three consecutive business days. As of July 2, 2011 and through the time of the filing of this Form 10-Q, we were in compliance with all covenants. We had $94.0 and $103.4 million of availability as of July 2, 2011 and January 1, 2011, respectively. Our lowest level of fiscal month end availability in the last three years was $94.0 million as of July 2, 2011. We do not anticipate our excess availability in fiscal 2011 will drop below the Excess Availability Threshold. Should our excess availability fall below the Excess Availability Threshold for more than three consecutive business days, however, we would not meet the required fixed charge ratio with our current operating results. In addition, we must maintain a springing lock-box arrangement where customer remittances go directly to a lock-box maintained by our lenders and then are forwarded to our general bank accounts. Our outstanding borrowings are not reduced by these payments unless our excess availability is less than the Excess Availability Threshold, excluding unrestricted cash, for three consecutive business days or in the event of default. Our amended revolving credit facility does not contain a subjective acceleration clause which would allow our lenders to accelerate the scheduled maturities of our debt or to cancel our agreement. As described below, subsequent to the fiscal quarter ended July 2, 2011, an amendment to our revolving credit facility became effective that revises certain of the covenants described in this paragraph.

On May 10, 2011, we entered into an amendment to our revolving credit facility, which became effective on July 29, 2011. The amendment to the revolving credit facility (i) reduced the excess liquidity we are required to maintain under the revolving credit facility to the greater of $35 million or the amount equal to 15% of the lesser of our borrowing base or $400 million, (ii) increased the amount of our accounts receivable included in the calculation of the borrowing base to 87.5%, (iii) increased the applicable percentage of the liquidation value of our inventory included in the calculation of the borrowing base to 90% for the periods January to March 2012 and January to March 2013, subject to specified EBITDA targets, (iv) included in the calculation of our excess liquidity certain cash on the balance sheet and subject to a deposit account control agreement, and (v) decreased the amount of excess liquidity we are required to maintain in order to avoid being required to meet certain financial ratios and triggering additional limits on capital expenditures under the revolving credit facility to the greater of $30 million or the amount equal to 15% of the lesser of our borrowing base or $400 million.

On July 14, 2011, we entered into an amendment to the mortgage, which (i) eliminated the requirement to obtain lender approval for any transfer of equity interests that would reduce Cerberus ABP Investor LLC s ownership in the Company and certain of our subsidiaries, directly or indirectly, to less than 51%, (ii) provided for the immediate prepayment of $38.3 million of the indebtedness under the mortgage without incurring a prepayment premium from funds currently held as collateral under the mortgage and, if certain conditions are met, will allow for an additional prepayment on or after July 30, 2014 from funds held as collateral without incurrence of a prepayment premium, (iii) allow us, at the lenders reasonable discretion, to use a portion of the cash held as collateral under the mortgage for specified alterations, repairs, replacements and other improvements to the mortgaged properties, and (iv) in the event certain financial conditions are met and the Company extends the Amended and Restated Master Lease by and among certain of our subsidiaries with respect to properties covered by the mortgage for an additional five years, we may request the lenders to disburse to the Company a portion of the cash held as collateral under the mortgage.

Effectiveness of the amendment to the revolving credit facility was contingent on the successful completion of the rights offering. In addition, consummation of the rights offering was contingent on entry by us into both the amendment to the revolving credit facility and the mortgage. We believe that the amounts available from our revolving credit facility and other sources are sufficient to fund our routine operations and capital requirements for the next 12 months. Payments of $38.3 million and approximately $56 million were made on the mortgage and the revolving credit facility, respectively, subsequent to the fiscal quarter ended July 2, 2011. If economic conditions, especially those related to the housing market, do not improve, we may need to seek additional sources of capital to support our operations.

On June 12, 2006, we entered into an interest rate swap agreement with Goldman Sachs Capital Markets, to hedge against interest rate risks related to our variable rate revolving credit facility. The interest rate swap was terminated in March of 2011. The interest rate swap had a notional amount of $150 million and the terms called for us to receive interest monthly at a variable rate equal to 30-day LIBOR and to pay interest monthly at a fixed rate of 5.4%. This interest rate swap was designated as a cash flow hedge.

During fiscal 2009, we reduced our borrowings under the revolving credit facility by $100.0 million, which reduced outstanding debt below the interest rate swap s notional amount of $150.0 million, at which point the hedge became ineffective in offsetting future changes in expected cash flows during the remaining term of the interest rate swap. We used cash on hand to pay down this portion of our revolving credit debt during the first, second, and third quarters of fiscal 2009. As a result, changes in the fair value of the instrument were recorded through earnings from the point in time that the revolving credit facility balance was reduced below the interest rate swap s notional amount of $150.0 million, which was during the first quarter of fiscal 2009. The reduction in debt below the interest rate swap notional amount resulted in a pro rata reduction to accumulated other comprehensive income with an offsetting charge to interest expense. The remaining accumulated other comprehensive income was amortized over the life of the interest rate swap to interest expense.

Changes associated with the ineffective interest rate swap recognized in the Consolidated Statement of Operations for the quarter ended July 2, 2011 and for the period from January 1, 2011 to July 2, 2011 were approximately $1.8 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss of the ineffective swap of $0.4 million offset by income of $2.2 million related to reducing the fair value of the ineffective interest rate swap liability to zero. Changes associated with the ineffective interest rate swap recognized in the Consolidated Statement of Operations for the period from April 4, 2010 to July 3, 2010 were approximately $1.3 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss over the life of the ineffective swap of $0.5 million offset by income of $1.8 million related to current year changes in the fair value of the ineffective interest rate swap liability. Changes associated with the ineffective interest rate swap recognized in the Consolidated Statement of Operations for the period from January 3, 2010 to July 3, 2010 were approximately $2.1 million of income and are comprised of amortization of the remaining accumulated other comprehensive loss over the life of the ineffective swap of $1.0 million offset by income of $3.1 million related to current year changes in the fair value of the ineffective interest rate swap liability.

The following table presents a reconciliation of the unrealized losses related to our interest rate swap measured at fair value in accumulated other comprehensive loss as of July 2, 2011 (in thousands):

Balance at January 1, 2011	$	444
Amortization of accumulated other comprehensive loss recorded to interest expense		(444)
Balance at July 2, 2011	$	

The fair value of our swap liability at January 1, 2011 was $2.2 million.

Contractual Obligations

As part of the amendment to our mortgage and revolving credit facility, described above, payments of $38.3 million and approximately $56 million, respectively, were made in July 2011. There have been no other material changes to our contractual obligations from those disclosed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 1, 2011.

Critical Accounting Policies

Stock Based Compensation

During the first six months of fiscal 2011, the Compensation Committee granted 618,972 restricted shares of our common stock to certain of our officers. Restricted shares of 364,303 vested in the first six months of 2011 due to completion of the vesting term. For the second quarter of fiscal 2011 and for the first six months of fiscal 2011, our total stock-based compensation expense was $0.4 million and $1.1 million, respectively. For the second quarter of fiscal 2010 and for the first six months of fiscal 2010, our total stock-based compensation expense was $0.7 million and $1.9 million, respectively. We did not recognize related income tax benefits during these periods.

The preparation of our consolidated financial statements and related disclosures in conformity with U.S. generally accepted accounting principles requires our management to make judgments and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. There have been no material changes to our accounting policies from the information provided in Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 1, 2011.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided in Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 1, 2011.

ITEM 4. CONTROLS AND PROCEDURES

Our management performed an evaluation, as of the end of the period covered by this report on Form 10-Q, under the supervision of our chief executive officer and chief financial officer of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in rule 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934, as amended (the Exchange Act)). Based on that evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and is accumulated and communicated to our management including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

During the first six months of fiscal 2011, there were no material changes to our previously disclosed legal proceedings. Additionally, we are, and from time to time may be, a party to routine legal proceedings incidental to the operation of our business. The outcome of any pending or threatened proceedings is not expected to have a material adverse effect on our financial condition, operating results or cash flows, based on our current understanding of the relevant facts. Legal expenses incurred related to these contingencies are generally expensed as incurred.

ITEM 1A. RISK FACTORS

There has been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended January 1, 2011 as filed with the SEC.

ITEM 5. OTHER EVENTS

At the 2011 Annual Meeting, stockholders approved an amendment to our 2006 Long-Term Equity Incentive Plan to increase the number of shares available for grant thereunder from 3,200,000 shares to 5,200,000 and to permit the grant of awards exempt from the deduction limit of Section 162(m) of the Internal Revenue Code. In addition, the stockholders also approved an amendment to our Short-Term Incentive Plan (the STIP) to give us the ability to structure incentive compensation under the STIP to avoid having the $1 million deduction limit of Section 162(m) of the Internal Revenue Code applied to certain parts of awards to be granted under the STIP. In approving the amendment, the stockholders also approved a complete restatement of the STIP Other than described above, no other material changes were made to either the 2006 Long-Term Equity Incentive Plan or the STIP.

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ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Amended and Restated BlueLinx Holdings, Inc. 2006 Long-Term Equity Incentive Plan (as amended through May 19, 2011 and restated solely for purposes of filing pursuant to Item 601 of Regulation S-K) (Incorporated by reference to Appendix A to the proxy statement for the 2011 Annual Meeting of Stockholders filed on Schedule 14A with the Securities and Exchange Commission on April 18, 2011.)
10.2	BlueLinx Holdings, Inc. Short-Term Incentive Plan (as amended and restated effective January 1, 2011) (Incorporated by reference to Attachment B to the proxy statement for the 2011 Annual Meeting of Stockholders filed on Schedule 14A with the Securities and Exchange Commission on April 18, 2011.)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Registrant s Quarterly Report on Form 10-Q for the quarterly period ended July 2, 2011, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Statements of Operations, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Cash Flows and (iv) Notes to Consolidated Financial Statements.*

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not to be filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Act of 1934, as amended, and otherwise are not subject to liability under these sections.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

	BlueLinx Holdings Inc.
	(Registrant)
Date: August 5, 2011	/s/ H. Douglas Goforth
	H. Douglas Goforth
	Chief Financial Officer and Treasurer

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