

RETAIL SECTOR WEEKLY

Key Retail News and Commentary

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Remember...

A positive attitude may not solve all your problems, but it will annoy enough people to make it worthwhile.

Holiday Shopping Already A Concern

The holiday shopping season is still months away, but already a growing number of economists are predicting that it could even be worse than last year – which is to say, disastrous.

Soaring gas and food prices, a slumping housing market and a falling stock market have depressed consumer confidence, raising fears that shoppers will pull back even more in the critical months ahead.

With consumer spending accounting for two-thirds of U.S. economic activity, the economy's health is at stake. While consumers have cut back on nonessentials like clothing, spending has remained fairly resilient despite their darkening mood. But analysts worry that once the short-term benefits of the federal stimulus checks fade, shoppers will retrench further – possibly tipping the economy into a recession.

A pair of downbeat reports released last week – one on consumer confidence, the other on the housing market – show shoppers are under increasing strain. The Conference Board's Confidence Index fell for the sixth month in a row to the lowest level in 16 years, while the measure that assesses how consumers feel about the economy over the next six months dropped to the lowest point since the private research group began doing the surveys in 1967. Shoppers are so anxious that fewer people plan to buy big ticket items like TVs and appliances, according to the Conference Board report – a bad omen for Christmas giving.

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Coldwater Creek: Retailer of the Week

We are **downgrading Coldwater Creek to a "D" moderately high-risk credit with a "negative" outlook**. Operations at this firm have undergone about as drastic of a downturn as we have seen over the past year. Just nine months ago, this was a company that we had rated an A credit. There has been three consecutive quarters of downgrades at Coldwater Creek, as the company has been losing money, expanding its store count and buying back stock. This has done terrible things for the firm's balance sheet. Liquidity is down sharply for the firm, and the operations are expected to remain sluggish over the next few periods, so we may have to deal with the lessened liquidity.

For the second quarter, revenues are expected to fall sharply again. The guidance says the company will post sales of between \$215 million and \$239 million, and it expects to post another loss of between \$5 million and \$10 million for the quarter.

\$ FIGURES IN MILLIONS	05/03/2008 (Q1 YTD FY09)	05/05/2007 (Q1 YTD FY08)	Year-over-Year Change
Liquidity Ratios			
Cash and Equivalents	\$74.50	\$152.10	-51.01%
Cash and Equivalents % Current Liabilities	39.27%	88.78%	-4,951 bps
Working Capital	\$92.80	\$179.20	-48.21%
Current Ratio	1.49x	2.05x	-56 bps
Leverage Ratios			
Total Liabilities / Total Assets	\$0.54	\$0.46	771 bps

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Holiday Shopping Already A Concern

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Another set of reports – the Standard & Poor's/Case-Shiller home price indices and the Office of Federal Housing Enterprise Oversight index – showed record year-over-year drops in April, a signal that the housing slump is not only deepening, but encompassing markets that were once holding their own.

Meanwhile, American Express warned last week that consumer credit is worsening faster than it had anticipated in June as the economy continues to falter.

After struggling with sluggish sales last year, stores started seeing a boost in recent weeks from the rebate checks – but those benefits are expected to evaporate. Nationwide, sales at stores open a least a year are expected to be up 2% to 3% in June, after rising a better-than-expected 3% in May.

At Starbucks Coffee Co., which has seen customers make fewer latte trips, one million customers have signed up for the company's rewards card launched in April – indicating that shoppers are looking for a good deal.

Still, such incentives may not be enough to save the industry's holiday season. Despite aggressive discounting last year, comp store sales for the November-December period rose a modest 2.2%, the weakest holiday period growth since 2002.

Reacting to the malaise, retailers are paring back expansion plans and closing stores. J.C. Penney Co. announced last week that it will now open 20 new or relocated stores in 2009, down from 36 announced in April. It had previously planned to open 50 new stores each year through 2011.

Shoppers should also expect to see more focused holiday offerings as stores cut back on inventory. Dan Hess, founder and CEO of research firm Merchant Forecast, estimates that retailers are paring back autumn orders by 15% from a year ago.

While it's too early for most shoppers to have holiday shopping budgets, some consumers are already expecting they'll be more frugal.

FYI for the DIY

Home Depot management says closing 15 underperforming stores is enough, according to a *Reuters* report. HD has no plans to close any additional doors this year.

Lowe's Cos. is planning to play for market share in the current tough economy, management said. The company sees opportunities to gain share from independent stores as well as from rivals such as Sears.

Feedback?

Questions?

Suggestions?

[Click Here](#)

HAVE YOU HEARD...

The following Trade Commentaries on private Food & Drug accounts are now available on the Global Credit Services website:

Raley's Inc.	Wakefern Food Cooperative
Smart & Final Inc.	Roundys Supermarkets
Winco Foods LLC	Reyes Holdings
McLare Company, Inc.	Ben E Keith Company
Gordon Food Service	Associated Wholesale Grocers (AWG)
Wegmans Food Markets	Marsh Supermarkets
Save Mart Supermarkets	Certified Grocers Midwest
Giant Eagle, Inc.	HE Butt Grocery
Navarro Discount Pharmacies, Inc.	Performance Food Group
Golden State Foods	Bozzuto's

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Management on the Move

The Board of Directors of **Charming Shoppes** appointed **Alan Rosskamm** as the company's non-executive Chairman of the Board. Mr. Rosskamm has been a member of Charming Shoppes' Board of Directors since 1992. Mr. Rosskamm previously served as the CEO of Jo-Ann Stores, Inc. from October 1985 to August 2006 and Chairman from July 1992 to August 2006. **Dorrit Bern** continues in her leadership roles of President and CEO.

David Wild, Wal-Mart's VP of Business Development, is leaving to become CEO of U.K. retailer Halfords Group. Wild is a Tesco veteran who was involved with Wal-Mart's Marketside grocery operation.

Randall K. Zanatta, President and CEO of **Golf Galaxy, Inc.**, a wholly-owned subsidiary of Dick's Sporting Goods, Inc. is stepping down from his position with Golf Galaxy, effective July 18th. No reason was given for his departure.

Quiksilver, Inc. announced the resignation of **Michael Gray** from its Board of Directors effective June 23, 2008.

Collective Brands, Inc. reported that SVP and CFO **Ullrich E. Porzig** announced his retirement. As part of a planned succession process, Mr. Porzig will continue in his current

role until September 2008 through the filing date of the company's Form 10-Q for the second quarter.

Zale Corp announced that **Yuval Braverman** has been elected to its board. Braverman is CEO of J & J Zaidman, a diamond wholesaler.

bebe stores named **Dyan Jozwick** EVP and CMO for the bebe retail division, and **Amy Nichelini** Principal Accounting Officer. Jozwick was most recently CMO for Wet Seal. Nichelini was bebe's Corporate Controller.

Target promoted **Steve Eastman** to President of Target.com. Eastman is a 26 year TGT veteran, and was most recently VP of electronics. **Nik Nayar** succeeds him in that role.

American Eagle Outfitters' President and CMO **Susan P. McGalla** will leave the company at the expiration of her contract, Jan 31, 2009. Jim O'Donnell, CEO, will assume the responsibilities of President and the company will conduct a search for a new merchandising chief.

ProBuild Holdings named **Robert Rugg** as President - Gypsum. Rugg comes from a senior position at The Drake Group.

Did You Know...?

Chain-store sales for the week ended June 21, 2008 rose 2.2% from the year-ago period. On a week-over-week basis, sales dropped 0.6% as consumers' willingness to spend remains measured and modest.

Mass Merchant Musings

Wal-Mart Stores, Inc. will open its first Wal-Mart Supercenter format store in Tennessee, reports the *Memphis Business Journal*. The smaller format store will be just 151,908 sq ft and will have a new look and feel as well as a new Wal-Mart logo.

Also, **Wal-Mart** may be planning to move some back-office functions to Bangalore, India, various sources have reported. The company has an existing relationship with Indian outsourcer Infosys Technologies Ltd.

Wal-Mart launched the **Marketside** website at www.marketside.com, which lists the first four Marketside stores due to open in the Phoenix, AZ area this fall.

SmartCare closed 15 in-store health clinics in Colorado **Wal-Mart** stores, giving no notice.

Canadian Tire is planning to open a 1.5 million sq ft distribution center Coteau-du-Lac, QC in 2009. Genco Distribution System will run the new DC.

Options and Resources

Feedback and Questions: Should you have any feedback to provide us or questions to ask, please email us at inbox@globalcreditservices.com.

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Bankruptcy Blotter

A new survey, conducted by the Turnaround Management Association, suggests that the credit crunch could propel U.S. corporate default rates to over 10% in 2009, a far higher estimate than recent forecasts by Moody's Investors Service and Stand & Poor's. During the 2002 economic downturn, the default rate reached 12.8%.

In related news, corporate borrowers have defaulted on almost \$19 billion of debt this year through mid-May, more than double the amount for all of last year.

Linens Holding Co. hired **DJM Realty** to manage the disposition of 120 underperforming stores that the company targeted for closure as part of its restructuring. The hire is subject to bankruptcy court approval. The real estate auction is expected to occur before July 31st.

DJM Realty is going to have a busy summer as **Goody's Family Clothing, Inc.** has also selected the company to manage the disposition of the 69 retail store leases that it is closing as part of its restructuring.

For the month ended May 31, 2008, **The Sharper Image** reported sales of \$10.0 million and a net loss of \$9.9 million, including \$10.3 million of reorganization expenses.

Whitehall Jewelers Holdings Inc. filed for Chapter 11 protection last week with an \$80 million financing package (of which the court approved on an interim basis \$22 million) that

requires it to put its assets on the auction block by July 18th. **Great American Group LLC**, **Hudson Capital Partners LLC** and **Silverman Jeweler Consultants Inc.** comprise a joint venture seeking the right to conduct store closing sales. Bids are expected by July 15th.

The Room Source, a moderately-priced furniture chain with six locations in California, began a court-ordered liquidation sales on June 28th. The sale is being conducted by **Hudson Capital Partners, LLC**. Following the sale, which is expected to take several weeks, all of the company's stores will close.

Interstate Bakeries Corp. is seeking court approval to sell property in Southern California for a total of \$2.85 million to **S.J. Jasaitis** and **Ed Whittemore**. The transaction is subject to higher bids.

The bankruptcy court is allowing a group of **Delphi Corp.**'s creditors to join the company's effort to force investors led by **Appaloosa Management** to pump \$2.55 billion into the struggling auto-parts supplier. However, Delphi continues to work on modifications to its bankruptcy plan without the financing from the Appaloosa group.

Progressive Molded Products Ltd., burdened with a legacy of debt from successive private-equity buyouts and slammed by the crashing automotive industry, filed for bankruptcy protection in the U.S. and Canada last week.

Specialty Items

Ethan Allen opened a 30,000 sq ft store at 60th St and Third Ave in Manhattan, across the street from Bloomingdale's. It replaces two NYC stores that closed last week.

Conlin's Furniture is closing an underperforming store in Sioux Falls, SD. The company has 16 remaining stores and no further closures are planned.

Pier 1 Imports has withdrawn its proposal to acquire **Cost Plus**, stating that it was unlikely

that it could acquire a majority stake given the price it was prepared to pay.

Cost Plus has renewed its shareholder rights plan through June 30, 2013. The plan takes the form of a dividend on each Cost Plus common share.

AutoZone Inc.'s board approved a \$500 million share buyback on top of the \$108 million already authorized.

Did You Know...?

TNS Retail Forward forecasts China will sustain double-digit nominal retail sales growth in the next five years, surpassing Japan to become the second-largest retail market in the world by 2012.

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Health & Beauty Aids

ShopKo has partnered with healthcare services provider Meriter to open in-store clinics in two Wisconsin ShopKo locations. The clinics will be staffed by nurse practitioners.

Members of **UFCW** locals 5, 8 and 101 ratified a three-year labor agreement with **Rite Aid Corp.** The pact covers 4,300 workers in northern California Rite Aid stores. According to the union, the agreement included wage increases and improved health coverage.

Rite Aid Corp. had a huge first quarter swing—with 50% topline growth but a loss of \$156.6 million vs. a profit of \$27.6 million last year—from the Brooks Eckerd acquisition last June. The loss was due largely to \$77.1 million of depreciation and amortization, \$49.5 million interest and \$33.3 million of integration expenses. Rite Aid also has begun a \$700 million refinancing, issuing \$425 million of senior secured notes due 2016, with the balance coming from a term loan.

Walgreens subsidiary Take Care Health Systems, has opened three walk-in clinics at Walgreens drugstores in Wisconsin, and two

more in Columbus, OH. Take Care also plans to open up to 16 clinics in Colorado by the end of the year.

CVS Caremark plans to offer compatibility with **Microsoft HealthVault**, a competitor to **Google Health**, which CVS also supports.

Also, **Rite Aid** will pay \$475,000 to settle civil charges brought by NJ officials that the chain sold expired products, and sold products for more than the shelf price.

AmerisourceBergen increases the size of their securitization facility from \$500 million to \$975 million with a \$250 accordion for seasonal needs. Bank of America takes over as administrator from Wachovia.

McKesson Corp. may have to settle damages from drug price manipulation claims that could total as much as \$15 billion. The presiding judge certified the suits as a class action and allowed RICO claims as well, making it much more likely that the company will settle rather than risk treble damages.

Off the Rack

Macy's, Inc. is offering of \$650 million in senior unsecured notes due 2015, with an interest rate of 7.875%. The company has \$650 million in debt maturing in Sep and Nov, 2008.

J.C. Penney's turnaround "Bridge Plan" was revised, and now calls for 2009 capital expenditures to be \$650 million, down from \$1 billion in 2008 and \$1.2 billion in 2007. Openings for 2009 have been cut to 20 vs an original forecast of 50. Renovations are cut to 10-15

stores in 2009 vs 65 stores in the original forecast.

Chico's FAS shareholders re-elected all the company's directors at its annual meeting, but shareholder Spotlight Capital points out in a press release that there was substantial opposition, with director John W. Burden receiving a 45.5% "protest vote". Spotlight has called for Chico's CEO Scott A. Edmonds' ouster.

Rating Changes & Outlooks

Company	S&P Credit Rating		S&P Credit Outlook		GCS Credit Rating
	Current	Prior	Current	Prior	Current
AUTOZONE INC	BBB	BBB+	STABLE	NEGATIVE	C
GROUP 1 AUTOMOTIVE INC	BB-	BB	STABLE	NEGATIVE	E+
EXPRESS LLC	B	B-	STABLE	STABLE	NR
CHUKCHANSI ECONOMIC DEV AUTH	B+	BB-	STABLE	STABLE	NR
RIVIERA HOLDINGS CORP	B	B	NEGATIVE	DEVELOPING	D-

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The Global World of Sports and Footwear

The Finish Line's first quarter profit was fueled by higher merchandise margins and top line growth in key performance athletic shoe segments. Going forward, FINL will open new doors that are 33-36% smaller than its current 5,500 sq. ft. average footprint, and will close an estimated 15-20 underperforming doors this FY. The company said it was "cautiously optimistic" about its outlook in Q2 when the back-to-school season will begin and the Beijing Games figure to "energize" the performance athletic segment. Through the first three-and-a-half weeks of June, same store sales were 10% higher in Finish Line doors and up mid single digits in Man Alive locations and product margins were described as exceeding plan.

Steve & Barry's is reportedly in default on a \$200 million credit facility it obtained from the commercial-lending unit of General Electric in March, and needs \$30 million in rescue financing to avoid filing for bankruptcy protection as early as next week, according to a report in the *Wall Street Journal* citing sources. The \$30 million would allow Steve & Barry's to fund its operations through the remainder of 2008.

Sport Chalet inked a new credit facility with Bank of America this month, allowing for advances up to \$45.0 million versus \$30.0 million prior, increasing to \$70.0 million for the Sept.-Dec. 31 timeframe. Average sales per

store declined 8.5% to \$8.5 million from \$9.2 million in FY07; average sales per sq. ft. were off 7.2% to \$218 versus \$235. In FY09, 78% of store bases will be based on new prototype that includes 100-foot shoe walls and a pool for SCUBA and other water sports instruction.

Also, **Sport Chalet** opened a new 50,500 sq ft store in Los Angeles, CA, its 52nd location.

Payless settled an infringement suit from K-Swiss for \$30 million. The payment allows Payless to sell its existing inventory of shoes but also includes a consent decree that bars the retailer from advertising, making or selling any footwear similar to K-Swiss. The settlement comes shortly after Adidas won a \$304.6 million judgment against Payless for similar claims. Payless has appealed the case, calling the judgment excessive. Adidas also has an infringement case pending against Wal-Mart.

The Walking Co. is opening new flagship stores in the Century City district of Los Angeles, The Forum Shops at Caesars in Las Vegas and The Mall at Short Hills in NJ to bring door total to 200.

Modell's Sporting Goods inks a multi-million dollar enterprise contract with InnerWorkings for print procurement and management, including all in-store signage.

Did You Know...?

U.S. home and condo resales rose 2% in May but the median sales price was down 6.3% compared with a year earlier.

General Retail News

Shoplifting and retail loss dropped to the lowest level in 17 years, continuing a six-year decline, according to the National Retail Security Survey from ADT. Retailers lost \$34.3 billion or 1.4 percent of sales in 2007 down from \$40.5 billion and 1.57 percent of sales in 2006.

Checkpoint Systems, Inc., a provider of RFID-based shrink management technology, is piloting its new Evolve tracking system with several major retailers. Anchor Blue, Babies R

Us, CVS, LensCrafters, Kohl's, Toys R Us, Vans and Wilsons are participating in the pilot.

RISI, the information provider for the global forest products industry, is predicting marketers will sharply scale back catalog and direct mail pieces this fall due to rising costs for paper, postage, energy and transport coupled with a \$50-60 per ton price hike in July for coated mechanical paper.

Upcoming Reporting Dates

Company	Event	Date
Crane Co.	Quarterly Results	Jul 28, 2008
Family Dollar Stores	Conference Call	Jul 2, 2008
Ingram Micro	Quarterly Results	Jul 24, 2008
Loblaw Companies	Quarterly Results	Jul 25, 2008
MSC Industrial	Web Presentation	Jul 1, 2008
Shoppers Drug Mart Corp.	Quarterly Results	Jul 16, 2008
True Religion Apparel	Web Presentation	Jul 8, 2008

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Hi Tech Entertainment

U.S. **consumer technology** sales rose more than 7 percent in May over last year, to more than \$5.4 billion, reports NPD Group. Total sales for the month were over \$5.4 billion.

Sales of **major appliances** fell 0.3% in 2007, largely due to the housing slowdown, according to TWICE's Top 100 Major Appliance Retailers Report. 2006 showed an even worse 5.6% drop vs. 2005.

Rex Stores has completed its May 2007 stock buy-back plan, with the repurchase of 142,000 shares. The REX board has authorized the repurchase of up to an additional 500,000 shares.

Also, **Rex Stores** announced that it has retained Brown, Gibbons, Lang & Company Securities, Inc. to look for strategic alternatives.

Amazon.com launched an office supplies section where it lists more than 500,000 products from thousands of manufacturers.

Amazon.com's new 600,000 sq ft fulfillment center in Whitestown, IN, is hiring several hundred full-time hourly positions for the facility's opening later this summer. Seasonal needs could add an additional 1,700 temporary associates.

Amazon.com has acquired **Fabric.com**, an online fabric retailer. This acquisition strengthens Amazon's offerings in the sewing and craft segments.

RadioShack will assign its headquarters lease to the new owner of the property, Tarrant County College District. RadioShack will remain through June 2011 with an option through 2013.

Staples, Inc. announced that they've acquired 95.2% of Corporate Express shares and 99.1 percent of bonds for which it had tendered offers.

Circuit City opened a second small format (20,000 sq-ft) store in Manhattan' Upper West Side. CC calls the smaller format "The City" and focuses on a smaller assortment of best selling items.

Best Buy Co. closed on an offering of \$500 million of its 6.75% notes due 2013. The company intends to use the proceeds from the offering to fund a portion of its purchase of a 50% interest in **The Carphone Warehouse Group PLC's** mobile services and retail distribution business.

Did You Know...?

U.S. incomes, spending and savings surged in May from tax rebate checks and hurricane insurance payments, the Commerce Department said. Real disposable incomes (after-taxes and adjusted for inflation) increased 5.3%.

Heard in the Grocery Aisle

A&P will convert Philadelphia SuperFresh stores to the Pathmark Sav-A-Center banner. The company has been very successful with the price-impact format stores nearby in New Jersey.

SuperValu said there would no additional layoffs at its headquarters, after the recent announcement that 130 administrative positions would be cut.

Also, **SuperValu** is expected to replace longtime ad agency Dailey & Associates, *AdWeek* reported.

Ralphs, a Kroger subsidiary which operates 262 stores in California, will lower prices on thousands of items and give cash rebates on purchases through its loyalty card program.

Based on a strong first quarter, **Kroger** raised its earnings per share guidance for the year to \$1.85 to \$1.90 from \$1.83 to \$1.90. Same store sales guidance for fiscal 2008 was raised to

4.0% to 5.5%, excluding fuel, from 3.0% to 5.0%.

Also, **Kroger** has reached a tentative agreement on a new contract with UFCW local 1995 in Nashville, TN, which covers 8,500 people in 94 stores. Union members still need to approve the deal.

Kroger is recalling all ground beef products sold in Michigan and parts of Ohio from May 21 to June 8 due to E. coli contamination.

Associated Grocers of New England sales grew 12.5% to \$315 million in fiscal year 2007. The member owned cooperative serves almost 500 stores in the region.

Fresh & Easy will hire 750 new employees over the next three months to staff stores opening in Southern California, Arizona and Nevada. The chain says it's received 13 applications for each open position.

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Heard in the Grocery Aisle

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Tesco and **Asda** are preparing for battle. This weekend, Asda will reduce prices on 10 top-selling products, and Tesco cut prices on 3,000 items by up to 50% next week.

Loblaw will remodel stores under its smaller market SaveEasy banner. The stores carry a smaller selection focusing on staples and fresh items.

Bi-Lo has seen sales of its private label product lines increase by about 5%, leading the

company to reconfigure its aisles to allow for the display of more own-label products.

Barack Obama urged Tesco to meet with the UFCW and allow unions to represent Fresh & Easy workers.

Canadian food merchant **Empire Company Limited** reported sales for its fiscal year ended May 3, 2007 of C\$14.065 billion, a 5.2% increase versus the prior year, helped by a comp store sales increase of 2.8%. Earnings for the year were C\$315.8 million, up 53.4% versus last year.

Coldwater Creek: Retailer of the Week

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Did You Know...?

The U.S. consumer confidence index plunged in June to 50.4 from 58.1 in May, the Conference Board reported.

OPERATING PERFORMANCE

Revenues for the first quarter ended May 3, 2008 were \$271.1 million, a 3.6% decline from the same quarter last year. Comps plunged again for the period, falling 19% when compared to last year. Retail revenues gained 1.1% to \$186.9 million while direct revenues fell 12.6% to \$84.2 million. The company claims its product line was not properly differentiated, which led to the slide in sales. The gross margin plunged an unbelievable 1,150 basis points for the first quarter. Markdowns were running rampant in the quarter, and given the sour sales, the markdowns did not work. The SG&A expenses were up 30 basis points for the quarter as the company did a lot of cost cutting. As has been the case over the past few quarters, the bottom line for Coldwater Creek plunged deep into negative territory. During the first quarter, Coldwater Creek lost \$9.2 million, a wild swing from \$12 million in profits for the same quarter last year.

CAPITAL STRUCTURE

The continued rapid expansion of the store base coupled with the net loss for the year had a negative effect on Coldwater Creek's balance sheet. The company's cash position fell from its once lofty perch, leaving much less liquidity in the process. Cash on hand fell 51% from last year to \$74.5 million, as Coldwater Creek used \$121.3 million to purchase property and another \$25 million to buyback stock last year. This has been harmful on each of the company's liquidity indicators. This was an "A" rated credit last year based on the absence of debt and the strong liquidity position. Today only half of that is true.

The company still remains debt free, however, providing us with some wiggle room were things to keep slipping. The company has \$41.2 million available on its \$60 million revolver. There was only LCs outstanding on the facility.

One plus going forward is that according to the amendment signed recently on the revolver, it will not be able to repurchase any more stock until April of next year, as we would like to see the company's liquidity beefed up again.

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First Quarter Scorecard

\$ in Millions	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
Abercrombie & Fitch	\$800.2	\$742.4	7.8%	-3.0%	\$62.1	\$60.1	3.4%
Aeropostale, Inc.	\$336.3	\$275.8	21.9%	5.6%	\$17.5	\$13.8	26.8%
American Eagle Outfitters	\$640.3	\$612.4	4.6%	-6.0%	\$43.9	\$78.8	-44.3%
Bebe Stores, Inc.	\$151.7	\$154.4	-1.7%	-7.6%	\$8.4	\$12.9	-35.4%
Belk, Inc.	\$817.3	\$904.5	-9.6%	-8.7%	\$5.1	\$9.5	-46.0%
Bon Ton Stores, Inc.	\$723.0	\$760.4	-4.9%	-4.6%	(\$34.1)	(\$23.3)	-46.2%
Buckle, Inc.	\$160.3	\$121.1	32.4%	25.6%	\$18.7	\$12.2	53.5%
Burlington Coat Factory	\$780.9	\$774.5	0.8%	-3.1%	\$26.8	\$31.1	-13.8%
Cato Corporation	\$228.8	\$227.2	0.7%	-1.6%	\$16.9	\$18.7	-9.7%
Children's Place	\$400.2	\$356.0	12.4%	5.0%	\$19.5	\$14.7	32.6%
Christopher & Banks Corporat	\$159.6	\$149.4	6.8%	0.0%	\$11.3	\$11.7	-3.4%
Claire's Stores, Inc.	\$327.0	\$340.6	-4.0%	-8.4%	(\$35.6)	\$28.8	-223.6%
Coldwater Creek Inc.	\$271.1	\$281.3	-3.6%	-9.4%	(\$9.2)	\$12.0	-176.8%
dELIA*s, Inc.	\$63.5	\$57.8	9.9%	2.0%	(\$3.9)	(\$3.3)	-20.9%
Dillard's, Inc.	\$1,713.6	\$1,799.5	-4.8%	-6.0%	\$2.7	\$42.9	-93.7%
Dress Barn, Inc.	\$352.6	\$347.9	1.4%	-2.8%	\$24.9	\$23.1	7.9%
Gap Inc.	\$3,384.0	\$3,549.0	-4.6%	-11.0%	\$249.0	\$178.0	39.9%
Gordman's	\$91.3	\$95.9	-4.8%	-6.7%	(\$2.1)	(\$1.3)	-61.5%
Gottschalks	\$127.4	\$143.5	-11.2%	-10.3%	(\$6.6)	(\$4.7)	-39.1%
Gymboree Corporation	\$242.1	\$209.3	15.7%	4.0%	\$25.0	\$20.9	20.1%
Hart Stores Inc.	\$31.1	\$30.1	3.3%	-6.2%	\$0.0	(\$0.3)	100.0%
J. Crew Group, Inc.	\$340.6	\$297.3	14.6%	2.4%	\$30.5	\$24.6	23.7%
J.C. Penney Company	\$4,127.0	\$4,350.0	-5.1%	-7.4%	\$120.0	\$238.0	-49.6%
Jo-Ann Stores, Inc.	\$446.1	\$424.2	5.2%	4.5%	\$3.0	(\$1.7)	276.5%
JoS. A. Bank Clothiers	\$145.4	\$129.5	12.3%	6.4%	\$9.8	\$8.4	16.7%
Le Chateau Inc.	\$69.5	\$62.9	10.5%	-4.6%	\$5.6	\$3.7	48.8%
Limited Brands	\$1,925.0	\$2,311.0	-16.7%	-8.0%	\$98.0	\$53.0	84.9%
Macy's, Inc.	\$5,747.0	\$5,921.0	-2.9%	-2.6%	(\$59.0)	\$36.0	-263.9%
Men's Wearhouse	\$491.1	\$496.1	-1.0%	-6.4%	\$9.9	\$41.0	-75.7%
New York & Company, Inc.	\$270.1	\$274.2	-1.5%	-6.6%	\$6.7	\$0.8	737.5%
Nordstrom, Inc.	\$1,879.0	\$1,953.9	-3.8%	-6.5%	\$119.0	\$156.8	-24.1%
Retail Ventures, Inc.	\$466.3	\$465.8	0.1%	-4.3%	\$29.2	\$2.7	965.7%
Ross Stores, Inc.	\$1,556.3	\$1,410.5	10.3%	3.0%	\$79.5	\$67.0	18.6%
Saks Incorporated	\$862.4	\$792.7	8.8%	8.4%	\$18.3	\$11.0	66.4%
Stage Stores, Inc.	\$353.5	\$358.2	-1.3%	-5.4%	\$2.3	\$9.1	-75.2%
Stein Mart, Inc.	\$352.2	\$376.1	-6.4%	-9.3%	\$7.0	\$8.1	-13.7%
Talbots, Inc.	\$542.4	\$573.6	-5.4%	-9.8%	(\$4.1)	\$5.2	-177.4%
Urban Outfitters, Inc.	\$394.3	\$314.5	25.4%	10.0%	\$42.6	\$29.4	44.9%
Wet Seal, Inc.	\$142.4	\$138.0	3.2%	7.5%	\$8.9	\$7.6	17.8%
Mass Merchants							
99 Cents Only Stores	\$290.5	\$277.9	4.5%	1.5%	(\$4.4)	(\$1.0)	-340.0%
Big Lots, Inc.	\$1,151.6	\$1,128.4	2.1%	3.4%	\$34.5	\$28.8	20.0%
BJ's Wholesale Club, Inc.	\$2,306.4	\$2,058.0	12.1%	9.6%	\$17.2	\$13.7	25.5%
Costco Wholesale Corp.	\$16,613.7	\$14,659.3	13.3%	4.0%	\$295.1	\$224.0	31.7%
Dollar General Corporation	\$2,403.5	\$2,275.3	5.6%	5.4%	\$5.9	\$34.9	-83.1%
Dollar Tree Stores, Inc.	\$1,051.3	\$975.0	7.8%	2.1%	\$43.6	\$38.1	14.4%
Duckwall-ALCO Stores, Inc.	\$106.0	\$106.3	-0.3%	-8.4%	(\$5.9)	(\$2.2)	162.2%
Fred's, Inc.	\$464.3	\$442.3	5.0%	2.1%	\$7.3	\$7.4	-2.5%
Sears Canada Inc.	\$1,254.0	\$1,219.0	2.9%	-1.9%	\$63.1	\$14.3	341.3%
Sears Holdings Corporation	\$11,068.0	\$11,747.0	-5.8%	-8.6%	(\$56.0)	\$223.0	-125.1%
Target Corporation	\$14,802.0	\$14,041.0	5.4%	-0.7%	\$602.0	\$651.0	-7.5%
Toys R Us Inc.	\$2,719.0	\$2,581.0	5.3%	-0.4%	(\$36.0)	(\$41.0)	-12.2%
Wal-Mart Stores, Inc.	\$95,303.0	\$86,410.0	10.3%	2.9%	\$3,022.0	\$2,826.0	6.9%
Sports & Footwear							
Bakers Footwear Group, Inc	\$43.5	\$49.3	-11.8%	-11.1%	(\$4.9)	(\$1.0)	-390.0%
Brown Shoe Company, Inc.	\$554.5	\$566.3	-2.1%	NA	\$7.2	\$9.6	-25.3%
Collective Brands (Payless St	\$932.4	\$728.6	28.0%	-6.5%	\$19.7	\$38.9	-49.4%
Dick's Sporting Goods, Inc.	\$912.1	\$823.6	10.8%	-3.8%	\$20.8	\$21.7	-4.3%
DSW Inc.	\$366.3	\$357.0	2.6%	-5.4%	\$10.3	\$23.7	-56.7%

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RETAIL SECTOR WEEKLY

\$ in Millions	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Sports & Footwear							
Finish Line, The	\$287.9	\$285.8	0.7%	1.2%	\$0.9	(\$3.9)	123.1%
Foot Locker	\$1,309.0	\$1,316.0	-0.5%	-2.9%	\$3.0	\$17.0	-82.4%
Footstar, Inc.	\$117.9	\$134.1	-12.1%	-11.0%	(\$1.5)	\$0.8	-287.5%
Forzani Group Ltd.	\$304.2	\$263.7	15.3%	-2.1%	(\$2.9)	\$0.7	-534.4%
Gander Mountain	\$207.7	\$175.7	18.2%	-6.7%	(\$24.4)	(\$22.8)	-7.1%
Genesco Inc.	\$356.9	\$334.7	6.7%	2.0%	\$129.8	\$2.2	5792%
Hibbett Sporting Goods, Inc.	\$145.8	\$133.8	9.0%	0.0%	\$9.4	\$10.2	-8.4%
Lululemon Athletica Inc.	\$78.2	\$44.8	74.5%	28.0%	\$8.5	\$3.5	139.3%
Shoe Carnival, Inc.	\$162.1	\$165.7	-2.1%	-4.9%	\$4.8	\$7.3	-34.7%
Sport Chalet	\$96.8	\$97.8	-1.0%	-8.6%	(\$2.8)	\$0.9	-417.8%
Specialty							
Autozone	\$1,517.3	\$1,473.7	3.0%	-0.3%	\$158.6	\$151.6	4.6%
Barnes & Noble, Inc.	\$1,158.1	\$1,145.4	1.1%	-1.5%	(\$2.2)	(\$1.7)	-33.1%
Bed Bath & Beyond	\$1,648.5	\$1,553.3	6.1%	0.8%	\$76.8	\$104.6	-26.6%
Brookstone, Inc.	\$89.8	\$83.1	8.0%	1.1%	(\$11.7)	(\$11.2)	-5.1%
Cost Plus, Inc.	\$211.7	\$202.5	4.5%	0.6%	(\$32.0)	(\$11.1)	-187.9%
CSK Auto Corporation	\$461.1	\$473.0	-2.5%	-3.1%	\$5.4	\$1.7	221.4%
Finlay Enterprises, Inc.	\$205.1	\$162.9	25.9%	-4.5%	(\$11.0)	(\$7.6)	-44.8%
Kirkland's, Inc.	\$84.1	\$82.3	2.1%	4.3%	(\$2.6)	(\$7.5)	-66.0%
La-Z-Boy	\$368.0	\$408.1	-9.8%	-5.2%	(\$4.4)	\$7.7	-157.1%
Michaels Stores, Inc.	\$847.0	\$839.0	1.0%	-2.9%	(\$20.0)	(\$23.0)	13.0%
Pep Boys -Manny, Moe & Jac	\$498.0	\$539.6	-7.7%	-5.6%	\$4.7	\$3.2	46.9%
Pier 1 Imports, Inc.	\$310.0	\$356.4	-13.0%	-5.4%	(\$32.8)	(\$56.4)	41.8%
Restoration Hardware, Inc.	\$144.7	\$142.1	1.8%	-30.0%	\$19.8	\$13.0	52.2%
Tiffany & Co.	\$668.1	\$595.7	12.2%	3.0%	\$64.4	\$53.8	19.6%
Williams-Sonoma, Inc.	\$781.8	\$816.1	-4.2%	-9.0%	\$10.4	\$18.2	-42.4%
Zale Corp.	\$476.7	\$449.0	6.2%	5.8%	(\$16.8)	(\$4.0)	325.1%
Food							
Casey's General Stores	\$1,204.3	\$1,002.9	20.1%	3.6%	\$14.4	\$16.6	-13.3%
Kroger Co.	\$23,107.3	\$20,725.6	11.5%	5.8%	\$386.0	\$336.6	14.7%
Penn Traffic Co.	\$287.1	\$298.0	-3.7%	-1.4%	(\$12.4)	(\$7.4)	-67.6%
Publix Super Markets	\$6,230.9	\$5,878.2	6.0%	3.6%	\$343.2	\$317.6	8.1%
Ruddick Corp	\$975.6	\$891.8	9.4%	3.3%	\$24.1	\$20.0	20.4%
Spartan Stores	\$570.7	\$520.1	9.7%	5.9%	\$7.8	\$6.8	14.7%
Village Supermarket, Inc.	\$273.4	\$255.3	7.1%	4.0%	\$4.9	\$4.9	0.6%
Drug							
CVS Caremark Corporation	\$21,326.0	\$13,188.6	61.7%	3.9%	\$748.5	\$408.9	83.1%
Longs Drug Stores	\$1,407.0	\$1,297.0	8.5%	1.0%	\$23.5	\$13.0	80.8%
Rite Aid Corp.	\$6,612.9	\$4,430.4	49.3%	1.5%	(\$156.6)	\$27.6	-667.4%
Ulta	\$239.3	\$194.1	23.3%	3.9%	\$8.1	\$9.9	-18.2%
Walgreen Co.	\$15,015.7	\$13,698.3	9.6%	3.4%	\$572.3	\$561.2	2.0%
Home Centers							
Ace Hardware	\$872.1	NA	NA	NA	\$10.8	NA	NA
Fastenal Company	\$566.2	\$489.0	15.8%	11.8%	\$68.1	\$54.1	25.9%
Home Depot, Inc.	\$17,907.0	\$18,545.0	-3.4%	-6.5%	\$356.0	\$1,046.0	-66.0%
Lowe's Companies	\$12,009.0	\$12,172.0	-1.3%	-8.4%	\$607.0	\$739.0	-17.9%
Rona, Inc. (C\$)	\$911.5	\$878.5	3.8%	-5.2%	\$1.0	\$9.0	-88.9%
Sherwin-Williams Company	\$1,781.7	\$1,756.2	1.5%	-6.5%	\$78.0	\$111.8	-30.3%
Tractor Supply Company	\$576.2	\$559.8	2.9%	-6.5%	(\$1.2)	\$5.0	-124.0%
W.W. Grainger	\$1,661.0	\$1,546.7	7.4%	NA	\$114.2	\$101.8	12.2%
Wesco International	\$1,465.2	\$1,450.6	1.0%	NA	\$44.8	\$48.2	-6.9%
High-Tech & Electronics							
Best Buy Co., Inc.	\$8,990.0	\$7,927.0	13.4%	3.7%	\$179.0	\$192.0	-6.8%
Circuit City Stores, Inc.	\$2,301.1	\$2,485.5	-7.4%	-11.3%	(\$164.8)	(\$54.6)	201.8%
Conn's, Inc.	\$218.6	\$205.3	6.5%	1.0%	\$10.6	\$12.9	-17.8%
GameStop Corp.	\$1,813.6	\$1,279.0	41.8%	27.1%	\$62.1	\$24.7	151.3%
hhgregg, Inc.	\$324.2	\$283.4	14.4%	0.8%	\$10.3	\$8.3	24.1%
Rex Stores Corporation	\$47.1	\$48.9	-3.7%	-0.3%	\$1.5	\$7.5	-80.0%
Trans World Entertainment C	\$232.6	\$286.3	-18.8%	-6.0%	(\$11.8)	(\$9.1)	-30.4%

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