

RETAIL SECTOR WEEKLY

Key Retail News and Commentary

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Payrolls Fall By 62,000 In June

Unemployment rate steady at 5.5%, worse than expected.

The U.S. economy shed 62,000 jobs in June while the unemployment rate unexpectedly remained at a four-year high of 5.5%, the Labor Department reported last week.

Payrolls have now declined in all six months this year for a total job loss of 438,000, the strongest evidence that the economy fell into a recession in the first half of the year. The report doesn't "point to an economy that is crashing and burning," wrote Joel Naroff, president of Naroff Economic Advisers. But "it is consistent with an economy that is in a deep funk."

Job losses in June were slightly worse than the 40,000 expected by economists. The unemployment rate was expected to fall to 5.4%. Payroll losses in April and May were revised down to show 52,000 more jobs lost in those months. May's loss now measures 62,000.

Total hours worked in the economy fell by 0.1% in June. In the factory sector, total hours worked fell 0.5% in June and are down 3.6% in the past year.

Most analysts expect unemployment to rise further this year as the economic storm clouds gather force. Rising energy prices, falling home and equity prices, and a severe credit crunch will keep the economy weak. Exports and the \$107 billion in stimulus checks are the main factors supporting growth.

Average hourly earnings rose by 6 cents to \$18.01, or 0.3%, in June. In the past year, average hourly earnings are up 3.4%, while consumer prices are up 4.2%. Wage inflation appears to be moderating in response to a deteriorating labor market, and real wages are plummeting. Falling wages should keep inflation contained, and will reduce consumer spending as well.

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Winn Dixie: Retailer of the Week

Winn Dixie, roughly one and a half years removed from its November 2006 emergence from bankruptcy, **remains a high risk, 'E' credit**. However, we are **raising our outlook from stable to positive** due to the grocer's maintaining a healthy liquidity position. Given the extent of Winn Dixie's remodeling plans, we anticipated that the supermarket chain could be borrowing by now. Furthermore, operating profitability has shown a nice improvement; we hope this trend is continuing to persist over the summer. Despite these positive changes, we still have longer-term questions regarding the sustainability of this momentum in the firm's markets.

Following Publix's recent announcement regarding its proposed purchase of 49 Florida-based Albertsons LLC stores, Winn Dixie's management publicly stated that only ten of those stores are within a two-mile radius of any of its own stores. Even with high fuel prices, a slightly larger radius may have given a clearer picture to the competitive impact of this event.

During its 21-month stint in Chapter 11, Winn Dixie closed roughly 400 stores and extracted over \$100 million in annualized operating costs from its P&L statement. Management is attempting to elevate the grocer's reputation among middle class shoppers without losing its blue collar clientele. This supermarket's chances of sustainable success will likely hinge upon its ability to co-exist in territories that contain much tougher competitors.

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Remember...

Those who expect to reap the blessings of freedom, must, like men, undergo the fatigue of supporting it.

Payrolls Fall By 62,000 In June

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The report is likely to have little impact on the Federal Reserve's internal debate about monetary policy. Few analysts expect the Fed to raise or lower interest rates in the next few months, although financial markets do expect two rate hikes by the end of the year.

The Fed is expecting the economy to weaken, which should in turn bring down troublesome inflation rates. The Fed will see the July jobs report before its next policy meeting on August 5th.

Construction, manufacturing and temporary-help services reported heavy job losses in June. Construction payrolls fell by 43,000, factory payrolls fell by 33,000, and temp-agency employment fell by 30,000. Retail jobs fell 7,500, while financial services shed 10,000 jobs.

In a separate report, the Labor Department said initial jobless claims rose by 16,000 last week to 404,000, just the second time in this cycle claims have been above 400,000. Meanwhile, the smoothed trend to continuing claims rose again to a fresh four-year high.

Feedback?

Questions?

Suggestions?

[Click Here](#)

Bankruptcy Blotter

In June, 4,992 businesses sought to reorganize or liquidate under bankruptcy protection. That's an increase of nearly 50% over last June's 3,408 filings and almost twice as many as the 2,574 companies that filed for bankruptcy in June 2006.

Linens 'n Things is seeking bankruptcy court permission to hold a July 24th auction of the leases to the 120 stores that it is in the process of closing. If the court signs off on the proposed auction rules, bids on the store leases would be due July 21st, the auction on July 24th and a sale hearing on July 30th.

The court denied **Seiko Corp.'s** bid to keep **Whitehall Jewelers Holdings Inc.** from selling Seiko's \$500,000 of merchandise in its store.

The court approved the Disclosure Statement and proposed Plan of Reorganization for **Bombay Company Inc.** The plan now goes to creditors for their acceptance or rejection, and are due by August 11th. Assuming the plan is accepted, the court will hold a hearing on August 20th to confirm the plan.

Brent Byron Barth, a **Golf USA** franchise in Scottsdale, Arizona, filed for bankruptcy protection. According to the petition, the business had total debts of \$457,593, including \$386,369 owed to unsecured creditors, and \$34,050 in assets.

Legendary home builder **Levitt and Sons** of Fort Lauderdale, which filed for Chapter 11 protection last fall, intends to go out of business after 79 years, according to the South Florida Sun-Sentinel.

This week, the former CEO of **Friedman's, Bradley Stinn** will be sentenced for his conviction of securities fraud, mail fraud and conspiracy for his role in cooking Friedman's books. Mr. Stinn is facing a maximum penalty of more than twenty years in jail.

Whitehall Jewelers is requesting a court date to hold an auction to sell the company as a going concern or in the event a buyer cannot be found, a bid to liquidate assets.

The Room Source, which operates three stores and a warehouse in the Sacramento, California, area as well as store in Stockton, California, and in Modesto, California filed for Chapter 11 protection. The company hired **Hudson Capital Partners LLC** to kick off store closing sales and plans to shut its doors once some \$10 million worth of merchandise is sold off.

The court approved the liquidation of the 20-store **Dormia** sleep chain, a move requested after it failed to find a buyer. Hudson Capital Partners is conducting the sale, which is expected to run for about 10 weeks. Inventory is valued at \$4.3 million.

Dura Automotive Systems Inc. emerged from Chapter 11 protection, having signed up new loans and swapped out equity to resolve more than \$1 billion in debt.

I Love My Heart Corp., a 22-year old specialty fitness retailer based in Clifton Park, NY, filed for Chap. 7 bankruptcy on June 27. Petition lists \$377,339 in debts and \$8,024 in assets. First meeting of creditors is Aug. 1.

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General Retail News

Stores magazine published their yearly **Top 100 Retailers** list. This year the top ten (by sales volume) were:

1. Wal-Mart
2. The Home Depot
3. CVS Caremark
4. Kroger
5. Costco
6. Target
7. Walgreen
8. Sears
9. Lowe's
10. SUPERVALU

Cutting loss prevention budgets correlates to increased theft, 68% of respondents reported in a **Checkpoint Systems** survey. 32% of

respondents will be increasing their LP budget in 2008, 36% keeping it the same, and 32% cutting their LP budget.

Control of the prestigious retail frontage at **666 Fifth Avenue** was acquired by The Carlyle Group and Crown Acquisitions for \$525 million. The 90,000 sq ft retail property between 52nd and 53rd Streets has 200 feet of retail frontage. New tenant Abercrombie & Fitch will join the NBA Store and Hickey Freeman.

E-mail is now the top choice for direct marketing, *Brand Week* reports. E-mail marketing is used by 35% of companies, while 25% use traditional mail. The study notes that large companies are adopting direct e-mail more slowly, but that acceptance is increasing.

Did You Know...?

The ISM manufacturing index unexpectedly rose to 50.2% in June from 49.6% in May. This is the first time since January manufacturers have increased production. The ISM non-manufacturing index dropped sharply to 48.2% in June from 51.7% in May.

FYI for the DIY

Former **Home Depot** employee **Anthony Tesvich**—who was accused of taking millions of dollars in payoffs and kickbacks from HD suppliers—pleaded guilty to one count of conspiracy to commit wire fraud and three counts of tax evasion. He faces up to 35 years in prison.

United Rentals, Inc. will still offer \$22 - \$25 per share for its stock, waiving the condition that the share price not drop more than 10%. The stock was trading around \$19 last week.

Sherwin-Williams Co. and other former lead-paint makers had a jury verdict against them thrown out by the Rhode Island Supreme Court. If left intact, the verdict could have cost the defendants as much as \$2.4 billion in cleanup costs.

The **Retail Industry Leaders Association** named Robert Niblock, CEO of Lowe's, as chairman of the trade group. Other new board members include CEOs Eduardo Castro-Wright of Wal-Mart, Richard Dreiling of Dollar General Corp. and Eric Wiseman of VF Corp.

Heard in the Grocery Aisle

Fresh & Easy opened its 62nd store, in Manhattan Beach, California last week. Next, the North Las Vegas location opens next week. Plans for a Fresh & Easy store in South Los Angeles were also announced, with ground breaking later this month.

Kroger and **Nebraska Beef, Ltd.** have been sued by law firm Pritzker Ruohonen on behalf of a man who got an E. coli infection, allegedly

after eating Kroger ground beef.

Meanwhile, **Kroger** reassured customers that the ground beef for sale in its stores now is not from Nebraska Beef.

The third **Plum Market** is set to open in West Bloomfield, MI in early 2009. The 37,000-square-foot store is the largest yet for the natural and specialty food chain.

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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Management on the Move

Collective Brands, Inc. has elected **Matthew A. Ouimet** to its board. Ouimet is the President of Starwood Hotels.

Under Armour hired **David McCreight** as President, replacing Kevin Plank who will remain as CEO and COB. McCreight comes from a retail background: he was President of Land's End and has experience at Disney Stores and Smith and Hawken before that.

Weis Markets named **Jay Ropietski** VP Store Operations. Ropietski was a VP at Price Chopper.

Price Chopper named **Jody Plonski** to Regional VP of Operations, replacing Jay Ropietski.

Safeway Inc. appointed **Diane M. Dietz** EVP and CMO. Dietz previously ran a business unit for Procter and Gamble including responsibility for Crest, Oral-B and Scope.

Polo Ralph Lauren promoted **Wayne Meichner** to President and COO of Polo Retail.

Prior to joining Polo in 2002, Meichner spent 23 years at Saks Fifth Avenue.

Parr Lumber named **Steve Johnson** CFO. Prior, Johnson was VP and Principal Banker at Wells Fargo.

Duckwall-ALCO Stores appointed **Lawrence J. Zigerelli** President and CEO. Zigerelli brings 27 years of experience with leading retail and consumer product companies such as Procter & Gamble, CVS and Meijer, Inc.

Circuit City's lead outside director **Mikael Salovaara** resigned. Salovaara is a retired partner at Goldman Sachs, CC's investment banker.

Director **Ron Marshall** resigned from the boards of **Linens Holding Co.** and **Linens 'N Things Inc.** reports *RetailingToday*.

Randall Zanatta as stepping down as President and CEO of **Golf Galaxy**, a subsidiary of **Dick's Sporting Goods**.

Did You Know...?

In the quarter just ended, for the first time in 30 years, not a single company backed by venture capitalists went public, the New York Times reported.

Mass Merchant Musings

As we reported last week, **Wal-Mart's** new logo was found on a permit application for its planned Tennessee store. The company has now confirmed details of the logo and the rendering that popped up on the web. The company is dropping the hyphen/star for a simple one word "Walmart" with a asterisk-shaped sunburst logo placed at the end of the name. Colors are white on an orange background.

Also, **Wal-Mart** will source about \$400 million in produce from local farmers in an attempt to save transportation costs.

Wal-Mart broke Minnesota labor law more than 2 million times, Judge Robert King ruled in a decision which could carry damages of up to \$2 billion. The plaintiffs alleged they were not allowed bathroom breaks among other complaints. The damage phase of the trial will begin Oct 20.

Target has cancelled an e-mail coupon for \$5 off a \$25 or more toy purchase, after someone Photoshopped the "toy" off the image make the coupon appear to apply to any purchase.

Rating Changes & Outlooks

Company	S&P Credit Rating		S&P Credit Outlook		GCS Credit Rating
	Current	Prior	Current	Prior	Current
UNITED AUTO GROUP INC	BB-	BB-	NEGATIVE	STABLE	E+
DOLLAR THRIFTY AUTOMOTIVE GROUP INC	B	B+	NM	NM	E
STAPLES INC	BBB	BBB+	STABLE	NM	B
STARBUCKS CORP	BBB+	BBB+	NM	STABLE	B-
EL POLLO LOCO	B-	B-	NEGATIVE	STABLE	NR
CHARMING SHOPPES INC	B	B+	NEGATIVE	NEGATIVE	D-

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Health & Beauty Aids

Express Scripts Inc. won the contract for the Department of Defense's Tricare pharmacy program. The contract is worth up to \$2.8 billion, and will serve 9.1 million people.

SureScripts will merge with **RxHub**, unifying the two leading electronic prescribing networks. SureScripts is owned by the National Association of Chain Drug Stores and the National Community Pharmacists Association. RxHub is owned by CVS, Express Scripts and Medco Health Solutions.

Rite Aid Corp. set the terms of its offering of \$470 million 10.375% (12.250% yield to maturity) senior secured notes due 2016. Proceeds will be used to retire senior secured

notes maturing 2010-2015 as previously reported.

Shoppers Drug Mart Corp. has acquired the HealthAccess division of Calea Ltd. The acquired business will operate as Shoppers Drug Mart Specialty Health Network Inc.

Cheap generic prescriptions have spread to **Schnucks**, whose in-store pharmacies will charge \$4 a month or \$10 for 90-days prescriptions on over 300 drugs, and **Kmart**, at \$5 for a month or \$10 for 90-days.

Walgreen Co. completed its acquisition of CuraScript Infusion Pharmacy, Inc.

The Global World of Sports and Footwear

Golfsmith International Holdings, Inc. appointed Robert E. Allen to fill a vacancy on its board. Golfsmith had received notification from Nasdaq that it needed an additional outside director on its audit committee, and Allen will fill that role.

Boot Barn Holding Corp. purchased nine retail stores in California and Nevada from BTWW

Retail, L.P. bringing their total to 43 doors in California, Nevada and Arizona.

Athlete's World chain in Canada, acquired by The Forzani Group in late Nov., has emerged from CCAA protection, Canada's equivalent of bankruptcy, after six months. FGL has restructured the business of the chain, which generated C\$186 million in revenues last year.

Upcoming Reporting Dates

Company	Event	Date
Abbott	Quarterly Results	Jul 16, 2008
Cabela's Inc.	Quarterly Results	Jul 31, 2008
Charming Shoppes	Web Presentation	Jul 9, 2008
Children's Place Retail Stores	Monthly Sales Call	Jul 10, 2008
Coldwater Creek	Web Presentation	Jul 8, 2008
Crane Co.	Quarterly Results	Jul 28, 2008
Dress Barn	Web Presentation	Jul 9, 2008
Fastenal	Quarterly Results	Jul 11, 2008
Ingram Micro	Quarterly Results	Jul 24, 2008
J. Crew Group	Web Presentation	Jul 9, 2008
Loblaw Companies	Quarterly Results	Jul 25, 2008
Penn Traffic	Annual Meeting	Jul 9, 2008
Shoppers Drug Mart Corp.	Quarterly Results	Jul 16, 2008
Stage Stores	Web Presentation	Jul 8, 2008
Tractor Supply	Web Presentation	Jul 9, 2008
True Religion Apparel	Web Presentation	Jul 8, 2008
Williams-Sonoma	Web Presentation	Jul 9, 2008

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Hi Tech Entertainment

Circuit City, Rex Stores and **PC Mall** have been added to the Russell 3000 index.

E Com Ventures, Inc. received confirmation from Nasdaq that it's now in compliance with listing requirements, having filed its 10-K.

GameStop Corp. is acquiring The Gamesman, a New Zealand-based eight store gaming retailer, bringing to 38 the number of GameStop stores in that country.

Blockbuster has dropped its bid for **Circuit City Stores** after completion of initial due diligence, citing market conditions. Circuit City management said that they continue to explore strategic alternatives. Billionaire activist investor Carl Icahn, who also was reviewing Circuit City's books, in May said he was prepared to make the acquisition himself should Blockbuster's bid falter.

Staples, Inc. declared unconditional (under the laws of The Netherlands) its acquisition of Corporate Express N.V. Settlement of the Offer is expected to take place on July 9, 2008. Staples will provide a post acceptance period for any remaining Corporate Express security holders.

To help finance the purchase, **Staples** has arranged for \$400 million in short-term financing. It will use the funds for working capital and repayment of Corporate Express's debt.

Microsoft and **Circuit City** are partnering to offer Microsoft Equipt, security and productivity software sold via a subscription model for around \$70. Equipt will be sold only through Circuit City stores at first.

Off the Rack

Apparel retailer **Hot Topic** is launching a digital music store called ShockHound next month. The on-line store will sell individual mp3s for 99 cents and albums for \$9.99, but will also drive higher margin apparel and accessories sales, the company hopes.

Nordstrom, Inc. has raised the authorized limit of its commercial paper program from \$500 million to \$650 million.

Mothers Work, Inc. will realign brands for Spring 2009, with its Mimi Maternity brand being rebranded A Pea in the Pod, and higher end A Pea in the Pod renamed A Pea in the Pod Collection. The company will also rename 48 single brand Mimi Maternity stores as A Pea in

the Pod and rename 44 multi-brand Mimi Maternity stores as Destination Maternity.

Eddie Bauer Holdings, Inc. and its German partners in joint venture Eddie Bauer Germany, have transferred their interests to a third party as of March 1, 2008. Eddie Bauer Holdings, Inc. will take a \$0.5 million writeoff and a \$3.9 million impairment charge associated with the transaction.

J.C. Penney believes that the web kiosks that access JCP.com at J.C. Penney stores are paying off. Management said that the kiosks, which allow much faster checking of item availability than the former special order system, are building loyalty, although no sales figures were given.

Specialty Items

Gallery Furniture is closing their 10,000 sq ft Kreiss showroom, and searching for larger space in the 13,000 - 20,000 sq ft range.

PetSmart ranked No. 72 on the National Retail Federation's annual Top 100 Retailers list.

Did You Know...?

Orders for factory goods rose by 0.6% in May, according to the Commerce Department. Orders for computers and defense equipment led the gain.

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Winn Dixie: Retailer of the Week

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OPERATING PERFORMANCE: 40 WEEKS ENDED APRIL 2, 2008

\$ in millions, 40 weeks ended	4/2/2008	YOY Var.	4/4/2007
Net Sales	\$5,590.70	1.20%	\$5,524.70
Identical Store Sales Growth	1.00%		2.40%
Gross Margin	27.30%	77 bps	26.60%
Adjusted Operating Profit	\$29.50	N/M	(\$56.90)
Adjusted Operating Margin	0.53%	156 bps	-1.03%
Impairment Charges	\$0.20	N/M	\$20.80
Restructuring Charges (Gain)	\$0.00	N/M	\$0.80
Reorganization Items (Gain), net	\$0.00	N/M	(\$334.40)
Earnings & Gain (Loss) on Disposal of Discontinued Operations	\$0.00	N/M	\$20.30
Net Profit	\$18.30	N/M	\$280.00

Winn Dixie's nine-month results for its fiscal 2008 year included revenue growth of 1.2% to nearly \$5.6 billion, with each store generating \$268,300 of sales on a weekly basis. **Identical store sales increased 1.0% during the forty weeks ended April 4, 2008** as a 2.9% rise in average basket size overcame a 1.9% decline in transaction count (see Comparable Store Sales). Although product cost inflation was running at between 3.0% and 3.5% this fiscal year, Winn Dixie continues to be successful at passing much of it through to its customers. On the private label front, Winn Dixie is now on target to have 1,500 SKUs on the shelf by fiscal 2008's end; this figure is 50% higher than previous expectations.

The 77 basis point improvement in Winn Dixie's 27.3% gross margin was attributable to more effective management of its promotional activity and to a lesser extent, operational improvements that reduced shrink. CEO Peter Lynch cited that the firm's shrink reduction efforts have brought Winn Dixie in-line with current industry levels. Progress was also made on the operating and administrative line, helping Winn Dixie to produce a **0.5% margin on adjusted operating profits of \$29.5 million**. This nine-month result marked a dramatic improvement over that seen in fiscal 2007. Results were also helped along by the early Easter holiday.

The minimal financing costs Winn Dixie currently enjoys might not be a realistic scenario over the long-term in the capital-intensive supermarket industry. Remodeling 75 stores on an annualized basis will require time (6-9 months, depending upon the extent of the renovations) and money (\$1.9 million per store, on average). That doesn't even include "maintenance" cap-ex requirements. Following the completion of a remodel, that store then requires 4 weeks of heavy promotional spending to invite customers back to the store. The point, therefore, is that this grocer needs to create sustainable profitability to justify its existence over the long-term. **However, up until this point, we applaud management's restraint in not borrowing against its revolver.**

Approximately 80% of Winn Dixie's remodels are anticipated to be of an offensive nature, and the results seen in this small existing sample is giving management some degree of encouragement that it is headed in the right direction. The 41 offensive remodels (out of 54 in total) had experienced an average weighted sales lift of 12.3% following the grand reopening phase. As of mid-May 2008, 11 additional remodels had been completed and another 31 had been started. By the end of fiscal 2010, approximately half of the chain should be updated (if things go according to plan).

LIQUIDITY & FINANCIAL STRUCTURE

Cash balances at the southeastern-based grocer **improved** during Q3 2008 to **\$177.8 million**, reflecting a 25% increase on a sequential quarterly basis. Even more impressive supplemented by **\$446.6 million of borrowing availability** remaining on its \$725 million revolving credit facility. Revolver availability this winter was likely helped by seasonal changes in the borrowing base; no direct borrowings and L/C usage totaling \$191.2 million were reported (see Bank Reference).

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Winn Dixie: Retailer of the Week

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Global Credit estimates the gross borrowing base as of this spring to have been \$673.1 million, with a usable borrowing base of \$655.4 million. Thus far, we applaud management's recent ability to keep both asset-side and liability-side liquidity strong. CEO Lynch believes that Winn Dixie can fund scheduled remodels for fiscal 2008 without tapping into the firm's revolver.

For the first nine months of fiscal 2008, Winn Dixie generated cash flow from operations of \$136.3 million, which was certainly a nice improvement versus the same period last year. Capital expenditures totaled \$153.8 million over this period, with a full-year expectation of \$220 million (down from a previous level of \$230 million). As of early-April, 54 of the firm's supermarkets had been updated since the remodeling program commenced in fiscal 2007.

Benefiting from growth in shareholders' equity and a decline in intangible assets and tangible net worth improved 26% to \$524.0 million on a year-over-year basis. Liabilities-to-assets was down slightly to 0.52 (from 0.53 seen in Q3 2007), with long-term liabilities primarily comprised of reserves for self-insurance liabilities and unfavorable leases. Despite the lack of debt, Winn Dixie has little assets to speak of other than its inventory and equipment, which are pledged to the banks. To this point, the grocer owns only 2% of the locations it uses to operate (stores, corporate headquarters, distribution centers, and manufacturing ops).

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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%
Chico's FAS, Inc.	\$409.6	\$453.1	-9.6%	-17.5%	\$12.7	\$47.2	-73.0%
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%
Citi Trends, Inc.	\$121.0	\$105.6	14.6%	0.3%	\$5.2	\$5.7	-9.6%
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%

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RETAIL SECTOR WEEKLY

\$ in Millions	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
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%
Family Dollar Stores, Inc.	\$1,702.2	\$1,654.8	2.9%	0.1%	\$64.7	\$60.4	7.1%
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%		\$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%
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	\$12.2	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%

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RETAIL SECTOR WEEKLY

\$ in Millions	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Food							
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%
MSC Industrial Direct Co.	\$457.2	\$431.1	6.1%	NA	\$51.4	\$45.8	12.2%
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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