

RETAIL SECTOR WEEKLY

Key Retail News and Commentary

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Remember...

A person should never be ashamed to admit that he/she has been wrong, which is but saying... that he/she is wiser today than yesterday.

Forecasts Call For Bleak Holiday Sales

While the forecast for bleak holiday sales is bad news, the worse news is that this forecast was done before the financial upheaval of last week.

With many economic factors weighing heavily on consumers' minds and wallets, retailers should expect only a modest increase in holiday sales over the 2007 season, according to two forecast released last week.

Deloitte's Retail group expects holiday sales, excluding motor vehicles and gasoline, to increase 2.5% to 3.0% during the November-to-January period, less than last year's 3.4% increase, and one of the smallest gains since 1991's 2.0% uptick. The TNS Retail Forward forecast is for 1.5% growth – compared with 1.2% in 1991 – for the holiday fourth quarter in the key holiday retail segments combined.

“Higher energy and food prices are making a dent in consumers' wallets, and the dramatic drop in home mortgage refinancings has dried up a substantial source of discretionary funds,” said Carl Steidtmann, chief economist with Deloitte Research. “In addition, continued softness in the housing market, rising unemployment claims and a volatile stock market are negatively affecting consumers' perceptions of the economy, their wealth, and their ability to spend. In all, these factors will likely lead to a challenging holiday season.”

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Retailer of the Week: Perfumania Holdings

Perfumania Holdings, recently known as E Com Ventures, swung from a small operating profit to an operating loss and incurred a higher net loss when comparing the second quarter of last year to the second of this year. However, on August 11, 2008, E Com Ventures was acquired by Model Reorg, Inc., forming what is now Perfumania Holdings. Since there is no previous financial information with respect to Model, we are unsure as to the financial stability of this newly combined entity. For now, Global Credit will continue to rate the Company an “E”, reflecting a high degree of credit risk, pending new financial statements from the combined enterprise. This will be with fiscal 2009 third quarter results, which should be released in mid-December.

BACKGROUND

As of August 2, 2008, pre acquisition by Model, Perfumania Holdings, then E Com Ventures, operated 322 stores offering a array of fragrances and related merchandise up to 75% off typical department store prices. Selected merchandise can also be found on perfumania.com.

The Company also maintains a wholesale division that sells its a good deal of its product lines to one large wholesale account, Quality King.

On August 11, 2008, E Com Ventures was acquired by Model Inc. Shareholders of Model were issued 5.9 million shares of common stock in the new company with warrants for another 1.5 million shares at an exercise price of \$23.94 per share.

Certain members of the Nussdorf family were officers and principles of Model and were also shareholders of the former E Com Ventures. Model was a diversified wholesaler of fragrances and includes an affiliate, Quality King. Quality King distributes pharmaceuticals and health and

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Forecasts Call For Bleak Holiday Sales

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Retailers that can offer unique value propositions – in terms of price, customer service, loyalty programs, or some other means – will be best positioned to attract the consumer's attention. Retailers can also take advantage of innovative marketing concepts, such as pop-up stores and an emphasis on "green." These creative approaches may resonate with consumers, bring shoppers into stores and attract new customers, thus helping expand a retailer's customer base.

It would appear, however, that retailers are positioned well heading into the holiday season, with low inventory-to-sales ratios and payrolls and other costs that are in check. These measures are particularly important given the extensive promotions expected this holiday season, and will hopefully offset some of the impact on retailers' bottom lines.

Included in the TNF Retail Forward forecast are the key retail sectors – where many holiday gifts are traditionally purchased – known as GAFO (general merchandise stores such as conventional and discount department stores, supercenters, warehouse clubs, apparel stores, furniture, home furnishings, consumer electronics and other specialty stores) as well as home improvement stores, catalogs and online sales.

The TNF Retail Forward forecast anticipates that mass retailers will see a pickup in performance this holiday season as a result of a shift among shoppers toward value formats and the impact of higher food prices. TNS forecasts 5.6% combined growth, nearly a full percentage point stronger than last year. Supercenters and warehouse clubs will remain among the best retail performers while discount department stores will be the laggard of the channel.

This year's letup in retail sales, however, will continue to take a toll on the softgoods sector this holiday season. Sales at apparel and accessories channels are forecast to decline 1.3% in the aggregate in the holiday period compared with flat growth in 2007. Department stores, including the upscale players, will remain the biggest drag as upper-income households become increasingly vulnerable to economic pressures. Apparel and other specialty stores are expected to register flat growth this holiday season.

FYI for the DIY

Home building tumbles again in August, with the number of new building permits for single-family homes dropping to a 26-year low. Starts of new homes fell 6.2% to a seasonally adjusted annual rate of 895,000, the lowest in 17 years and weaker than the 955,000 rate expected by economists.

Emery-Waterhouse opened a new distribution center in Northeast Pennsylvania last week. The facility, which began operations in June, is located at the CenterPoint Commerce & Trade Park in Pittston. Last year, Emery expanded its building materials product line and established its presence in the Mid-Atlantic region with the acquisition of the Morgan Distribution Co., a

specialty distributor in the building supply business.

Home Depot is cutting prices on up to 1,200 items in a bid to drive traffic and gain market share back from Lowe's and Wal-Mart. The lower prices will last through the holiday season.

Fleetwood Enterprises, Inc. was selected to build the living units for new U.S. Army housing at Fort Sam Houston in San Antonio, Texas. Terms of the multi-million dollar contract were not disclosed. With the recent successful completion of the living units for Fort Sill and the second phase of Fort Bliss, the company is ready to start on this new project immediately.

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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Heard in the Grocery Aisle

MyWebGrocer has acquired Irish e-commerce company Buy4Now's U.S. operations for \$15 million, a move that will add supermarket chains A&P, Roche Brothers and New Seasons Market to the 90+ companies already in MyWebGrocer's client base.

Kroger is partnering with U.S. Bank, which will open 49 in-store bank branches in Smith's Food & Drug Stores in Utah and Nevada. The new openings will give U.S. Bank the most in-store bank branches of any bank in the country with more than 600 locations.

Nash Finch Co. is promoting its business services aggressively to independent retailers, according to a report in the *Minneapolis/St. Paul Business Journal*. They are trying to appeal to independent grocers who aren't happy with their existing distributors—likely Supervalu which supplies many local retail stores.

Privately owned **Tops Markets** is relocating its headquarters from Carlisle PA—home of former parent Ahold—to a new space in Buffalo, NY.

Peapod and **Stop & Shop** opened a new facility in central New Jersey to support on-line grocery shopping and delivery.

Fresh & Easy workers have officially asked the retailer to begin talks with the UFCW, according to *Retail Week*. So far, parent Tesco has not offered to sit down with the union, but maintains that its workers are free to join a union.

Supervalu is consolidating its Harrisburg, PA, Easton, PA, and Perryman, MD distribution centers into a single 1.4 million sq ft site in Lancaster County, PA, *Traffic World* reported.

Also, **Supervalu** opened its first small-format prototype in Chicago. Called Urban Fresh by Jewel, the store will focus on prepared foods, fresh produce and basics targeted at busy professionals.

Winn-Dixie Stores has finished remodeling 100 of 521 stores in the 18 months since it announced the major remodel initiative for all its stores.

Giant Food Stores' prototype convenience store—dubbed Giant To Go—will open in the Lancaster, PA area sometime in Q1 2009.

IGA is expanding into Russia, via distribution company partner Megapolis Trading Company. Megapolis will implement a five year strategic plan to open IGA stores throughout Russia.

Did You Know...?

Tax rebate checks went primarily to reduce debt, according to a Harris Interactive poll. Only 21% of check recipients went shopping with the money, the study said.

Rating Changes & Outlooks

Company	S&P Credit Rating		S&P Credit Outlook		GCS Credit Rating
	Current	Prior	Current	Prior	Current
VENETIAN CASINO RESORT LLC	B+	BB-	NM	NM	NR
LAS VEGAS SANDS INC	B+	BB-	NM	NM	D+
MOTOR COACH INDUSTRIES	NR	D	NR	NM	NR
AUTONATION INC	BBB-	BBB-	NM	NEGATIVE	D-
GAMESTOP CORP	BB+	BB	STABLE	POSITIVE	B
BURLINGTON COAT FACTORY WAREHOUSE CORP	B-	B	STABLE	NEGATIVE	B-
BURLINGTON COAT FACTORY INVESTMENT HOLDINGS	B-	B	STABLE	NEGATIVE	E
COLLECTIVE BRANDS FKA PAYLESS SHOESOURCE	B+	B+	STABLE	NEGATIVE	C-
GUITAR CENTER INC	NR	BB+	NR	STABLE	C-
WALGREEN COMPANY INC	A+	A+	NM	STABLE	B-
MOTOR COACH INDUSTRIES	NR	D	NR	NM	NR

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Bankruptcy Blotter

Marty's Shoes, which filed for Chapter 11 protection last week, won interim approval to use \$715,000 of its \$1.23 million in DIP financing to cover expenses and wind down costs through November 15th. The company also won approval to continue GOB sales with Great American Group, which were started prior to the filing for bankruptcy, with a final set date of October 15th.

Boscov's has abandoned its restructuring effort and is putting itself on the auction block with **Versa Capital Management** as the stalking horse bidder. Versa has reported agreed to pay off Boscov's first lien debt and second lien debt, cover up to \$6.5 million worth of Chapter 22 expenses and top its offer off with \$11 million in cash. The deadline for closing on the sale is the end of October.

An internet based news report indicated that **Linens 'n Things** will solicit bids to conduct liquidation sales for the entire company in November-December and than cease operations. The article also said that the company had suffered a 25% drop in comp store sales for the month of August and that September comp store sales to date were worse. We have not been able to confirm any of these items with Linens 'n Things.

Shoe Pavilion and its lender, **Wells Fargo**, have agreed that the company will close 27 stores in addition to the 24 already being closed, leaving the chain with 64 locations. Shoe Pavilion has put itself up for sale as a going concern and has until October 13th to find a buyer. If a buyer cannot be found by October 13th, the company will put its assets up for sale, which could include liquidation.

Steve & Barry's, recently acquired by Bay Harbor and York at auction will close 103 stores after evaluating the stores and its ability renegotiate certain leases. The chain will continue to operate with 173 locations.

The court agreed to dismiss **Fortunoff Fine Jewelry and Silverware LLC's** Chapter 11 after the company had reached an agreement with both its junior secured lenders and creditors' committee. Fortunoff was purchased by **Lord and Taylor** owner **NRDC Equity Partners** in March.

Interstate Bakeries Corp. is seeking to emerge from bankruptcy and go private with a plan that would leave unsecured creditors owed some \$190 million and common shareholders with nothing. A previously abandoned plan called for unsecured creditors to receive 26 cents on the dollar.

Off the Rack

Jones Apparel Group has launched two e-commerce storefronts for its Easy Spirit and Nine West brands with additional sites for Jones New York, Anne Klein and Bandolino coming later this year and in 2009.

Gap Inc. signed a franchise agreement with Distribuidora Liverpool to open shop-in-shops in Mexico's leading department store chain. Gap has a wholesale agreement for Mexico with Distribuidora Liverpool currently. Also, Gap has expanded its arrangement with Saudi franchisee Fawaz Alhokair Group to open Gap and Banana Republic stores in Egypt and Jordan.

The Buckle, Inc. will pay a \$3.00 per share one-time cash dividend to shareholders in addition to its usual dividend. Also, the stock will split 3-for-2 via a stock dividend. Both have a record date of October 15.

Dress Barn, Inc. reported results for its fourth quarter and full year ended July 26. For the quarter, sales were up .6% to \$382.3 million, while comp store sales declined 2%. Net earnings were off 34.2% to \$22.1 million. For the full year, sales were up 1.2% to \$1.444 billion, but comps declined 3%. Net earnings for fiscal 2008 were down 26.8% to \$74.1 million (\$1.15 per share). DBRN offered FY2009 earnings guidance of \$1.23 to \$1.28 per share.

Gordmans has been acquired by Sun Capital Partners, a deal which provides Gordmans with expanded financial resources and retail operating expertise to support its growth objectives and strategic plans. Gordmans operates 65 stores in 16 states.

Charming Shoppes, Inc. has completed the sale of its non-core misses apparel catalogs to Orchard Brands for \$35 million in cash.

Did You Know...?

The index of leading economic indicators for the U.S. economy fell 0.5% in August following a 0.7% drop in July, the Conference Board reported.

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Management on the Move

Collective Brands' Stride Rite unit named **Tom Morgan** SVP of Global Sales for the Keds Group, and GM of PRO-Keds. Morgan held a similar role at Puma North America previously.

Duane Reade named **Joseph Magnacca** SVP and Chief Merchandising Officer. Magnacca comes from Canadian chain Shoppers Drug Mart. **Mark Scharbo** was appointed SVP of Supply Chain. Scharbo was COO of leather accessories firm Case-Mate. Meanwhile, **Jerry Ray**, SVP Pharmacy Operations, has resigned.

Movie Gallery, Inc. appointed **Craig J. Miller** Chief Information Officer and **Guy Marsala** EVP of Operations.

Marvin's Building Materials and Home Centers named **Craig Cowart** SVP Merchandising and Marketing.

Office Depot, Inc. promoted **Mark E. Hutchens** to SVP and Controller. Hutchens was SVP Finance for Office Depot's International Division.

Pier 1 Imports, Inc. appointed **Michael R. Benkel** SVP Planning and Allocation. Previously, Benkel was VP of Inventory Management for Pottery Barn.

JoS. A. Bank Clothiers, Inc. promoted **James E. Thorne** SVP Merchandising. **Robert R. Sears** replaced Thorne as VP Planning and Allocation.

Sears Holdings Corp. announced three executive moves:

- **Michelle Pearlman** was named SVP & President for Jewelry. Pearlman comes from Ann Taylor Stores, and McKinsey & Company before that.
- **Don Hamblen** was promoted to CMO and VP of the Sears division from VP Marketing and Planning.
- **Mark Snyder** was named VP and CMO for Kmart. Snyder was with InterContinental Hotels Group overseeing the Holiday Inn brand family.

MyWebGrocer named **Gerry Howatt** Director of Marketing Services. Howatt was media manager at Vermont Teddy Bear prior.

Do it Best announced that **Linda Geise** has joined the company as its Merchandise Manager for housewares. Most recently Ms. Geise served as Senior Buyer for the Kitchen Collection and Le Gourmet Chef stores.

RadioShack Corp. adjusted retail store management structure, and named five area VPs under EVP of Store Operations **Bryan Bevin**. The area VPs are: **Bill Nebes** - Northeast; **Steve Schmidt** - Southeast; **Sal Todaro** - Great Lakes; **Gregory Pattakos** - Southwest; **Tom Schultz** - West.

Did You Know...?

U.S. industrial output dropped 1.1% in August, much worse than expected and the biggest drop in three years, the Federal Reserve reported Monday.

Hi Tech Entertainment

Amazon.com, Inc. launched a new store selling more than 300,000 motorcycle and ATV parts, accessories and protective gear. The store expands on Amazon's Automotive Parts and Accessories Store launched in 2007.

Best Buy will buy Napster for around \$121 million in a move to enhance the chain's position in the fast growing digital delivery of media segment. Napster has 700,000 subscribers.

Best Buy reported lower earnings in its second quarter (see the scorecard) mostly as a result of higher expenses related to store enhancements and the Best Buy Mobile rollout. Nevertheless, the company is forecasting a FY2009 comp store sales gain in the upper half of its guided 1% - 3% range. Total revenue for the year is forecast at \$47 billion excluding

Europe, with earnings of \$3.25 - \$3.40 per share.

Ingram Micro revised downward its outlook for the third quarter ending September 27. Revenues are now forecast from \$8.3 - \$8.6 billion, with net income of \$30 - \$39 million, or \$0.18 - \$0.23 per share.

RadioShack Corp. board has adopted a majority voting standard for any uncontested election of its Board of Directors. The change was approved by shareholders at the company's annual meeting.

Also, **RadioShack** plans to upgrade signage, displays and merchandise presentations in its 4,000+ stores. Most stores will get the new look in time for the holiday season.

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The Global World of Sports and Footwear

Collective Brands gets a 75% reduction in the award from the Adidas trademark lawsuit. A federal court slashed the \$305 million judgment to \$65.3 million. The judgment was handed down in May by a federal jury in Portland, OR for PSS's alleged infringement of Adidas's three-stripe mark and trade dress related to the Superstar. Collective still plans to appeal the decision.

DC Shoe opens its fourth flagship store in the Irvine (CA) Spectrum Center, the closest retail location to company headquarters in North County, San Diego.

L.L. Bean is planning five mainland China stores in a joint venture with Korea-based Youngone Corp. The doors, each averaging around 3,000 sq. ft., will be opened over the next 12 months and will likely be situated in the Beijing and Shanghai markets. The JV will likely utilize the New England company's heritage as a focal point of local marketing efforts. The first store is slated to open in the open-air lifestyle shopping center Solana Mall in Chaoyang Park.

Dick's Sporting Goods will reportedly open a second store in Macon, GA, 45,000 sq. ft. in The Shoppes at River Crossing, in H209. DKS first opened in the market in 2001.

Dreams, Inc. acquires the assets of cataloger StarStruck/Pro Team, a large catalog and

internet retailer of licensed Major and Minor League Baseball merchandise that also produces the official catalog of the New York Mets.

The Forzani Group strikes a 10-year, \$2 million partnership with Canada Games Council, making the retailer a national partner and Official Retailer of the event.

The Sportsman's Warehouse is opening its second store in the Las Vegas market next month. It opened a store in Henderson, NV in Aug. The 66-door chain is also opening a 50,000 sq. ft. store in Visalia, CA, about halfway between Los Angeles and San Francisco, next month.

Sporting Goods Intelligence published its annual list of the largest global sporting goods retailers. The top 10:

2007 Rank	2006 Rank	Company	2007 Sales
1	2	Decathlon (France)	\$6,123
2	1	Foot Locker (USA)	\$5,437
3	3	Dick's SG (USA)	\$3,888
4	4	Sports Authority (USA)	\$2,700
5	7	Cabela's (USA)	\$2,350
6	6	Bass Pro Shops (USA)	\$2,300
7	5	SDI (SportsWorld)(U.K.)	\$2,134
8	10	Academy Sports (USA)	\$2,060
9	8	JJB Sports (U.K.)	\$1,624
10	9	L.L. Bean (USA)	\$1,620

HAVE YOU HEARD...

The following Trade Commentaries on private Sporting Goods accounts are now available on the Global Credit Services website:

Modell's Sporting Goods
Ski Market Ltd.
Joe's FKA GI Joe's
Retail Concepts
Specialty Sports Venture
Road Runner Sports
Bass Pro Inc.
Sports Authority
Academy Sports & Outdoors Ltd.
City Sports Inc.
Edwin Watts Golf Shops
Sportsman's Warehouse
Green Mountain Corp.

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Health & Beauty Aids

Longs Drug Stores' board decided not to enter into discussions with Walgreens regarding their buyout offer, citing regulatory risks, potential delays and a lack of certainty of completion compared to the CVS offer. Longs also said the Walgreens offer was conditioned on due diligence and does not have financing. Some industry observers have concerns that a Walgreens- Longs merger could get regulatory approval without significant store divestitures.

CVS' MinuteClinic opened its first Massachusetts clinic in a CVS store in Medway. MinuteClinic plans 28 locations in MA this year and ultimately wants to open 100 clinics in the state.

Walgreens' Take Care Health Systems has opened five additional clinics in the greater Atlanta area for a total of 21 in the region.

Shoppers Drug Mart is planning to open 150 smaller-format, 1,000 sq ft stores in medical and office buildings. The smaller stores have a pharmacy and will also sell vitamins and sundries.

Meanwhile, shareholder **CtW Investment Group**, which has asked for more disclosure on Longs' real estate, is now calling on Longs' board to hold an auction for the company.

Did You Know...?

U.S. consumer prices fell 0.1% in August, largely due to a 3.1% decrease in energy prices, the Labor Department reported. Food prices rose 0.6%, the smallest increase in three months.

General Retail News

U.S. Retail Cargo Imports are forecast to fall 6% in 2008 according to the monthly Port Tracker report released last week by the National Retail Federation and Global Insight. The new annual volume projection of 15.5 million TEU (Twenty-Foot-Equivalent Units) compares to 16.5 million TEU in 2007 and an Aug. 2008 forecast of 15.8 million. According to the report, cargo volume has been off each month of 2008 and that trend should continue for the remainder of the year. Year-over-year gains previously expected in the Oct.-Dec. time frame are no longer expected due to tightening inventory levels by retailers. In July U.S. ports processed 1.32 million TEU, down 8.3% y-o-y but up 2.6% from June. The TEU forecasts for the remainder of the year (none of which has been released yet) are as follows:

Month	Volume (million TEU)	Change vs. 2007
Aug. 2008	1.38	-5.8%
Sept. 2008	1.35	-8.6%
Oct. 2008	1.40	-2.9%
Nov. 2008	1.30	-5.3%
Dec. 2008	1.27	-0.4%

Online Retailers are better suited to withstand the economic slowdown, according to The State of Retailing Online 2008 report conducted by Forrester Research for shop.org. According to the study, 35% of online retailers expect their online business to perform better than projected over the next 12 months. Meanwhile, 33% expect their online operation to perform as expected. The survey also finds that 81% of online retailers had a profitable year in 2007 with 75% more profitable than in 2006. Approximately 36% of online retailers' sales were generated by repeat customers last year. On the down side, 37% of the study's respondents have lowered the outlook for their respective online business performance over the next 12 months.

The **Organized Retail Crime Act** of 2008 will be one topic discussed at a House Judiciary Committee hearing held on September 22. Congressman Bobby Scott (D-VA) will chair the hearing on the topic of organized retail crime. Also on the agenda is the E-Fencing Enforcement Act of 2008 and the Combating Organized Retail Crime Act.

Specialty Items

Aaron Rents, Inc. has sold its Aaron's Corporate Furnishings division to CORT Business Services Corp. for \$72 million, excluding payables and accrued expenses. The transaction is not expected to impact earnings, and is planned to close by the end of 2008.

Five Below has closed a \$17 million follow-on investment by private equity firms LLR Partners and Blue 9 Capital. The funds will be used to support the teen accessories chain's three-year plan to expand from 80 stores to 200.

IKEA officially opened its new northwest distribution center near Tacoma, WA. The 646,000 sq ft DC will employ 125 and can be expanded to more than 1 million sq ft.

Pier 1 Imports will not provide guidance for the remainder of the year and withdrew its previous guidance due to the uncertain macroeconomic environment.

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Mass Merchant Musings

99c Only Stores will exit the Texas market to focus on its core markets of California, Arizona, and Nevada. The 48 Texas stores were unprofitable, and only generating slightly more than half of the average sales of stores in other states. The company estimates an expense of \$40-45 million to completely shut down the operations.

Target Corp. inks a 25-year deal for the naming rights to the Minnesota Twins new ballpark slated to open for the 2010 season.

Wal-Mart closed a store in Garfield Heights, OH over concerns about potentially explosive methane gas. The store was built on a landfill, and also has structural and other systems

problems. The Ohio EPA had previously threatened to close the City View Center shopping center after detecting methane there.

Wal-Mart Canada has applied for a Canadian bank charter, according to a *Wall Street Journal* report. A banking license would allow the retailer to establish a bank and offer financial products such as credit cards. Wal-Mart's attempt to establish a U.S. bank met with opposition and was ultimately aborted in March 2007.

Sam's Club headquarters will move to a new location about three miles from the Wal-Mart home office. The offices will be in the 375,000 sq ft Superior Commercial building WMT acquired for \$30 million.

Upcoming Reporting Dates

Company	Event	Date
Cabela's	Investor Conference	Sep 23, 2008
Christopher & Banks	Quarterly Results	Sep 25, 2008
Circuit City Stores	Quarterly Results	Sep 29, 2008
Family Dollar Stores	Quarterly Results	Oct 3, 2008
Genesco	Investor Conference	Sep 22, 2008
Lowe's	Investor Conference	Sep 24, 2008
Perfumania Holdings	Quarterly Results	Sep 26, 2008
Rite Aid	Quarterly Results	Sep 25, 2008
Tractor Supply	Investor Conference	Sep 22, 2008
Ulta	Investor Conference	Sep 22, 2008
Volcom	Investor Conference	Sep 23, 2008
Williams-Sonoma	Investor Conference	Sep 23, 2008

Retailer of the Week: Perfumania Holdings

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beauty care products. Quality King was the major wholesale customer for the former E Com Ventures. Prior to the transaction, Model was a major supplier and sometimes wholesale customer of E Com Ventures.

The Nussdorfs had extended E Com Ventures a \$5 million term loan in March 2004, then agreeing to extend the maturity until January 2009. The loan was converted to equity at the time of the acquisition and the Nussdorfs now own approximately 58% of Perfumania Holdings' common stock.

In conjunction with the transaction, Perfumania Holdings entered into a new \$250 million three year senior secured revolving credit facility with GECC. Perfumania Holdings also entered into two term loans of \$55 million and \$35 million each and both loans unsecured. The \$55 million term loan was extended from various members of the Nussdorfs family and will mature in February 2012. The \$35 million loan was extended from Quality King (the Nussdorf also own that entity) and will mature at the end of June 2012. Quarterly payments of \$2.5 million will be due on this loan, plus interest, starting in 2009.

As of July 31, 2008, Model had an outstanding loan balance of \$113.1 million under its line of credit that is shared with Quality King. There was also a note from Model to Quality King. These two loans along with the former revolving line of credit of E Com Ventures, nearly \$50.3 million outstanding as of August 2, 2008, was repaid through the \$250 million revolver and the two term

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Retailer of the Week: Perfumania Holdings

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loans. However, Perfumania did not disclose actual borrowings and availability under the new revolving credit line with the transfer of debt.

FINANCIAL PERFORMANCE

Income Statement	2ND QTR FY 08	2ND QTR FY 09	YTD FY 08	YTD FY 09
Retail Sales	\$52 mm	\$57.4 mm	\$94.5 mm	\$104.1 mm
Comp Store Sales	1.2%	2.9%	-0.8%	3.0%
Wholesale Revenues	\$21.4 mm	\$4.71 mm	\$27 mm	\$14.5 mm
Total Net Sales	\$73.4 mm	\$62.1 mm	\$121.5 mm	\$118.7 mm
Gross Profit, Retail	\$23.7 mm (45.6%)	\$26.5 mm (46.1%)	\$43.6 mm (46.2%)	\$48.3 mm (46.4%)
Gross Profit, Wholesale	\$1.27 mm (5.9%)	\$286,456 (6.1%)	\$1.71 mm (6.3%)	\$929,480 (6.4%)
Gross Profit, Total	\$25 mm (34.1%)	\$26.7 mm (43%)	\$45.3 mm (37.3%)	\$49.2 mm (41.4%)
SG&A Expenses	\$24.4 mm (33.2%)	\$29 mm (46.6%)	\$46.9 mm (38.6%)	\$55.3 mm (46.6%)
Operating Income/Loss	\$637,130	(\$2.23) mm	(\$1.61) mm	(\$6.04) mm
Interest Expense	\$1.30 mm	\$995,025	\$2.39 mm	\$1.87 mm
Net Loss (includes income tax benefit for all periods)	(\$413,003)	(\$2.00) mm	(\$2.48) mm	(4.90) mm
Store Count			276	322

Did You Know...?

Hurricane Gustav helped first time jobless claims rise to 455,000 last week, the highest since Aug. 2, the Labor Department said.

Despite softness in the retail sector, comp store sales remained positive for this fiscal year. Wholesale revenues declined as most of the sales were to Model and affiliates, which were backed out of revenues with the now completed acquisition by Model. Optimal product pricing allowed for a higher margin rate this fiscal year.

However, expenses rose in both dollar and percentage of sales terms with the latter soaring 1350 basis points in the (second) quarter to quarter period and 800 basis points year to date. The deleverage impact of lower wholesale revenues against fixed costs and higher new store costs forced this very unfavorable condition, which in turn gave way to higher losses. The Company has been opening new stores aggressively, 46 net new sites alone over the preceding twelve months, and it would appear that these locations are not sufficiently supporting the cost structure to operate them.

Lower LIBOR rates allowed for lower interest expense. however, some of that benefit was partially offset by increased levels of revolver debt.

Balance Sheet	2ND QTR FY 08	2ND QTR FY 09
Cash	\$1.26 mm	\$1.38 mm
Receivables	\$1.43 mm	\$1.56 mm
Inventory	\$106.7 mm	\$129 mm
Current Assets	\$115.6 mm	\$139.3 mm
Total Assets	\$157.1 mm	\$189.0 mm
Trade Payables	\$60.5 mm	\$85.3 mm
Revolver Borrowings (classified as short term debt)	\$40.8 mm	\$50.3 mm
Nussdorf Loan (converted to equity with acquisition, classified as short term debt as originally due 1/2009)	\$5 mm	\$5 mm
Total Liabilities	\$121.8 mm	\$158.1 mm
Current Ratio	1.1:1	.9:1
Working Capital Coverage	Less than one month	Negative
Leverage Percentage	78%	84%

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Retailer of the Week: Perfumania Holdings

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The balance sheet was very weak at recent second quarter end with higher revolver debt, insufficient liquidity and weak credit resources as a support, negative working capital coverage, and a high leverage position. Given the amount of debt that was undertaken at the time of acquisition, more than \$253 million that we know of, Global Credit does not anticipate a very strong balance sheet with the new combined entity. However, we will reserve final judgment with the third quarter financial statement.

OUTLOOK

Despite positive comp store sales for the first two quarters of this fiscal year, we are concerned about the pace of new store openings and how those new locations are inflating the Company's cost structure. But again, we do not know the financial stability of the acquirer, Model. Therefore, a specific recommendation to clients cannot be made until we examine third quarter results for the newly combined operation. Fiscal third quarter results should be made available by mid December.

Still, in light of the very weak financial performance by the former company (E Com Ventures), clients should keep a close eye on their exposures.

Second Quarter Scorecard

\$ in Millions. Quarter ended closest to 7/31/08	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
Abercrombie & Fitch	\$845.8	\$804.5	5.1%	-4.0%	\$77.8	\$81.3	-4.3%
Aeropostale, Inc.	\$377.1	\$311.2	21.2%	11.0%	\$21.1	\$14.7	43.2%
American Apparel	\$133.0	\$95.7	38.9%	23.0%	\$6.8	\$4.8	41.7%
American Eagle Outfitters	\$688.8	\$703.2	-2.0%	-9.0%	\$59.8	\$81.3	-26.4%
AnnTaylor Stores Corp.	\$592.3	\$614.5	-3.6%	-10.8%	\$29.3	\$31.7	-7.7%
Belk, Inc.	\$829.3	\$879.6	-5.7%	tba	\$8.2	\$7.5	9.3%
Bon Ton Stores, Inc.	\$673.4	\$708.6	-5.0%	-5.7%	(\$33.8)	(\$15.0)	-125.3%
Buckle, Inc.	\$169.8	\$124.3	36.6%	tba	\$22.3	\$11.8	89.0%
Cache, Inc.	\$74.0	\$71.0	4.2%	3.0%	\$2.1	\$1.3	61.5%
Casual Male Retail Group	\$113.5	\$113.5	-0.0%	0.3%	\$1.9	\$2.5	-23.7%
Cato Corporation	\$231.0	\$219.0	5.5%	2.0%	\$12.1	\$12.5	-3.3%
Charlotte Russe Holding, Inc.	\$193.2	\$180.3	7.2%	-6.5%	\$6.6	\$10.1	-35.2%
Charming Shoppes, Inc.	\$648.6	\$694.4	-6.6%	-10.0%	(\$3.7)	\$20.9	-117.7%
Chico's FAS, Inc.	\$405.2	\$436.0	-7.1%	-15.9%	\$6.7	\$38.7	-82.7%
Children's Place	\$338.0	\$290.5	16.4%	9.0%	\$0.0	(\$28.1)	100.0%
Citi Trends, Inc.	\$115.7	\$96.8	19.5%	6.5%	\$2.8	\$0.6	353.9%
Coldwater Creek Inc.	\$241.4	\$253.5	-4.8%	-13.7%	\$3.1	\$8.7	-63.9%
dELIA's, Inc.	\$58.1	\$52.4	10.9%	5.2%	(\$5.0)	(\$5.1)	2.0%
Dillard's, Inc.	\$1,646.5	\$1,689.1	-2.5%	-4.0%	(\$38.3)	(\$25.2)	-52.0%
Eddie Bauer Holdings	\$233.0	\$227.0	2.6%	8.6%	(\$0.1)	(\$22.2)	99.7%
Gap Inc.	\$3,499.0	\$3,685.0	-5.0%	-10.0%	\$229.0	\$152.0	50.7%
Gordman's	\$101.0	\$94.5	6.9%	1.0%	\$0.0	(\$1.6)	102.7%
Gottschalks	\$133.7	\$145.0	-7.8%	-7.3%	(\$4.4)	(\$4.8)	8.3%
Gymboree Corporation	\$205.7	\$182.4	12.8%	1.0%	\$8.0	\$5.8	37.9%
Hart Stores Inc.	\$41.0	\$41.1	-0.2%	tba	\$1.5	\$2.1	-31.3%
Hot Topic, Inc.	\$166.8	\$161.7	3.2%	-0.9%	(\$0.5)	(\$1.7)	74.0%
J. Crew Group, Inc.	\$336.3	\$304.7	10.4%	-0.4%	\$18.1	\$20.6	-12.1%
J.C. Penney Company	\$4,282.0	\$4,391.0	-2.5%	-4.3%	\$117.0	\$182.0	-35.7%
Jo-Ann Stores, Inc.	\$403.0	\$388.5	3.7%	3.3%	(\$11.7)	(\$18.4)	36.4%
JoS. A. Bank Clothiers	\$152.7	\$134.3	13.7%	6.8%	\$8.9	\$8.2	8.1%
Kohl's Corporation	\$3,725.5	\$3,589.2	3.8%	-4.6%	\$236.0	\$269.2	-12.3%
Le Chateau Inc. (C\$)	\$88.7	\$83.6	6.1%	1.0%	\$9.8	\$6.3	55.6%
Limited Brands	\$2,284.3	\$2,624.1	-12.9%	-7.0%	\$102.0	\$264.4	-61.4%
Macy's, Inc.	\$5,718.0	\$5,892.0	-3.0%	-2.1%	\$73.0	\$74.0	-1.4%

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Second Quarter Scorecard

(continued from page 10)

\$ in Millions. Quarter ended closest to 7/31/08	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
Men's Wearhouse	\$545.3	\$569.3	-4.2%	-8.0%	\$32.8	\$54.2	-39.5%
Mothers Work, Inc.	\$152.2	\$153.2	-0.7%	2.4%	\$4.1	\$1.0	310.0%
New York & Company, Inc.	\$295.7	\$285.0	3.8%	-2.0%	\$8.7	\$3.5	148.6%
Nordstrom, Inc.	\$2,287.0	\$2,390.0	-4.3%	-6.0%	\$143.0	\$180.4	-20.7%
Pacific Sunwear	\$312.7	\$311.8	0.3%	-1.0%	\$2.8	(\$10.5)	126.7%
Reitmans Limited	\$289.5	\$291.9	-0.8%	-4.5%	\$35.4	\$32.1	10.3%
Retail Ventures, Inc.	\$459.8	\$464.6	-1.0%	-5.1%	\$17.7	\$106.2	-83.3%
Ross Stores, Inc.	\$1,640.4	\$1,444.6	13.6%	6.0%	\$71.3	\$50.9	40.1%
Saks Incorporated	\$669.2	\$694.1	-3.6%	-4.0%	(\$31.7)	(\$24.6)	-28.7%
Stage Stores, Inc.	\$372.7	\$359.2	3.8%	-1.4%	\$9.7	\$9.9	-2.2%
Stein Mart, Inc.	\$311.6	\$330.7	-5.8%	-9.7%	(\$8.0)	\$2.2	-463.6%
Talbots, Inc.	\$528.0	\$572.0	-7.7%	-12.0%	(\$25.0)	(\$13.3)	-88.0%
TJX Companies	\$4,621.3	\$4,313.3	7.1%	4.0%	\$200.2	\$59.0	239.3%
Too, Inc (Tween Brands)	\$223.1	\$213.7	4.4%	tba	(\$6.7)	\$2.1	-419.0%
Urban Outfitters, Inc.	\$454.3	\$348.4	30.4%	13.3%	\$57.0	\$31.9	78.9%
Wet Seal, Inc.	\$149.1	\$143.3	4.0%	-4.4%	\$10.1	\$6.8	50.0%
Mass Merchants							
Big Lots, Inc.	\$1,105.2	\$1,084.9	1.9%	2.8%	\$26.0	\$23.4	11.2%
BJ's Wholesale Club, Inc.	\$2,651.3	\$2,248.2	17.9%	15.5%	\$36.5	\$36.3	0.6%
Canadian Tire	\$2,949.5	\$2,835.1	4.0%	-0.5%	\$97.7	\$122.5	-20.2%
Dollar General Corporation	\$2,609.4	\$2,347.6	11.2%	10.1%	\$27.7	(\$68.8)	140.3%
Dollar Tree Inc.	\$1,093.1	\$971.2	12.6%	6.5%	\$37.6	\$32.6	15.3%
Duckwall-ALCO Stores, Inc.	\$129.6	\$119.0	8.9%	-2.1%	\$3.3	\$2.6	25.5%
Fred's, Inc.	\$447.1	\$424.6	5.3%	4.9%	\$1.0	\$3.1	-66.2%
Overstock.com	\$188.8	\$149.0	26.7%	NA	(\$6.5)	(\$13.8)	52.9%
Sears Canada Inc.	\$1,420.3	\$1,443.9	-1.6%	1.8%	\$61.1	\$42.3	44.4%
Sears Holdings Corporation	\$11,762.0	\$12,260.0	-4.1%	-6.2%	\$65.0	\$173.0	-62.4%
Target Corporation	\$15,472.0	\$14,620.0	5.8%	-0.4%	\$634.0	\$686.0	-7.6%
Toys R Us Inc.	\$2,771.0	\$2,605.0	6.4%	5.1%	\$13.0	(\$42.0)	131.0%
Wal-Mart Stores, Inc.	\$101,598	\$91,990	10.4%	4.6%	\$3,449.0	\$2,952.0	16.8%
Sports & Footwear							
Bakers Footwear Group, Inc	\$43.6	\$42.0	3.8%	6.4%	(\$2.3)	(\$8.7)	74.1%
Big 5 Sporting Goods Corp.	\$209.0	\$217.8	-4.0%	-7.6%	\$1.7	\$5.9	-71.0%
Broder Bros., Co.	\$257.6	\$249.4	3.3%	NA	(\$0.7)	(\$4.4)	84.1%
Brown Shoe Company, Inc.	\$569.2	\$576.6	-1.3%	-2.9%	\$2.2	\$9.8	-77.4%
Cabela's	\$526.0	\$451.2	16.6%	-1.6%	\$7.3	\$11.3	-35.4%
Collective Brands (Payless)	\$911.7	\$699.3	30.4%	0.2%	\$8.1	\$24.9	-67.5%
Dick's Sporting Goods, Inc.	\$1,086.3	\$1,013.4	7.2%	-3.7%	\$41.1	\$47.9	-14.2%
DSW Inc.	\$357.2	\$348.7	2.4%	-6.9%	\$11.0	\$6.5	68.1%
Foot Locker	\$1,302.0	\$1,283.0	1.5%	-0.5%	\$18.0	(\$18.0)	200.0%
Footstar, Inc.	\$153.2	\$173.4	-11.6%	-10.3%	\$30.4	\$21.5	41.4%
Forzani Group Ltd. (C\$)	\$295.6	\$292.4	1.1%	-4.2%	\$1.5	\$5.4	-72.2%
Gander Mountain	\$252.9	\$216.5	16.8%	-11.7%	(\$4.9)	(\$9.7)	49.7%
Genesco Inc.	\$353.1	\$328.0	7.7%	4.0%	(\$10.3)	(\$4.2)	-145%
Golfsmith International	\$130.0	\$125.0	4.0%	0.5%	\$8.6	\$6.8	25.8%
GSI Commerce	\$193.2	\$131.3	47.1%	NA	(\$19.0)	(\$5.0)	-280.0%
Hibbett Sporting Goods, Inc.	\$130.3	\$114.4	13.9%	5.0%	\$4.8	\$4.7	2.4%
Lululemon Athletica Inc.	\$85.5	\$57.9	47.6%	18.0%	\$11.1	\$5.1	117.6%
Shoe Carnival, Inc.	\$158.5	\$154.8	2.4%	-1.0%	\$1.0	\$0.2	485.0%
Walking Company, The	\$56.0	\$55.9	0.3%	-1.2%	(\$2.2)	(\$0.2)	1059%
West 49 (C\$)	\$45.0	\$42.4	6.1%	3.9%	(\$1.8)	(\$0.6)	197.3%
West Marine, Inc.	\$226.7	\$247.1	-8.3%	-7.8%	\$4.4	\$20.8	-78.6%
WinMark Corporation	\$8.7	\$7.6	14.5%	NA	\$0.9	\$0.4	116.3%
Zumiez Inc.	\$92.3	\$82.0	12.5%	-1.7%	\$2.7	\$3.1	-12.5%
Specialty							
A.C. Moore Arts & Crafts	\$126.4	\$124.4	1.6%	-4.8%	(\$4.3)	(\$0.6)	-663.0%

Did You Know...?

Retail hiring for the upcoming holiday season could be the weakest since 2001, with holiday staffing expected to fall well below the average seasonal gain of 727,500 jobs.

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Second Quarter Scorecard

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\$ in Millions. Quarter ended closest to 7/31/08	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Specialty							
Advance Auto Parts, Inc.	\$1,235.8	\$1,169.9	5.6%	2.9%	\$75.4	\$68.4	10.2%
Amscan Holdings, Inc.	\$371.5	\$279.2	33.1%	NA	\$14.7	(\$2.5)	688.0%
Barnes & Noble, Inc.	\$1,123.8	\$1,244.2	-9.7%	-4.7%	\$15.4	\$18.1	-14.7%
Blue Nile, Inc.	\$73.7	\$72.1	2.2%	NA	\$3.2	\$3.8	-15.8%
Brookstone, Inc.	\$97.4	\$99.9	-2.5%	-4.3%	(\$8.7)	(\$6.5)	-34.0%
Central Garden & Pet	\$492.9	\$466.8	5.6%	tba	\$15.7	\$15.5	0.8%
Cost Plus, Inc.	\$221.0	\$209.2	5.6%	1.2%	(\$26.6)	(\$18.0)	-48.1%
Ethan Allen	\$235.9	\$258.5	-8.7%	-11.1%	\$11.1	\$20.5	-45.9%
Finlay Enterprises, Inc.	\$190.6	\$148.0	28.8%	-4.8%	(\$12.3)	(\$8.4)	46.4%
Haverty Furniture	\$168.4	\$187.1	-10.0%	-12.7%	(\$2.3)	(\$1.4)	-64.3%
Jennifer Convertibles	\$26.8	\$30.3	-11.6%	-19.8%	(\$0.6)	\$1.7	-135.3%
Kirkland's, Inc.	\$87.7	\$87.4	0.3%	2.8%	(\$1.7)	(\$9.2)	81.5%
Leon's Furniture Limited	\$224.7	\$190.4	18.0%	NA	\$11.6	\$9.9	17.2%
Linens N Things	\$468.1	\$593.3	-21.1%	-18.3%	tba	tba	tba
Michaels Stores, Inc.	\$796.0	\$788.0	1.0%	-2.6%	(\$25.0)	(\$44.0)	43.2%
Movado Group, Inc.	\$129.7	\$139.5	-7.0%	NA	\$8.1	\$12.3	-34.1%
Pep Boys	\$500.0	\$552.1	-9.4%	-8.0%	\$5.4	\$4.2	28.6%
Perfumania Holdings	\$62.1	\$73.4	-15.4%	2.9%	(\$4.5)	(\$0.4)	-978.2%
Pet Valu	\$44.3	\$38.6	14.8%	8.8%	\$3.6	\$2.8	29.6%
PetSmart, Inc.	\$1,241.9	\$1,116.7	11.2%	4.0%	\$37.2	\$47.1	-21.0%
Pier 1 Imports, Inc.	\$320.5	\$344.6	-7.0%	-1.7%	(\$30.2)	(\$43.4)	30.5%
Tiffany & Co.	\$732.4	\$662.6	10.5%	-1.0%	\$80.8	\$40.5	99.5%
Williams-Sonoma, Inc.	\$819.6	\$859.4	-4.6%	-11.7%	\$18.4	\$26.0	-29.2%
Home Centers							
Ace Hardware	\$1,066.9	\$1,022.6	4.3%	NA	\$33.4	\$38.8	-13.9%
Builders FirstSource, Inc.	\$307.3	\$465.1	-33.9%	NA	(\$45.9)	\$8.4	-646.4%
Building Materials Holding	\$384.6	\$656.0	-41.4%	NA	(\$31.9)	\$19.4	-264.4%
Calloway's Nursery, Inc.	\$20.3	\$18.1	12.2%	6.5%	\$1.9	\$1.3	46.2%
Fastenal Company	\$604.2	\$519.7	16.3%	12.3%	\$76.2	\$60.3	26.4%
Five Star Products, Inc.	\$31.4	\$35.9	-12.5%	NA	\$0.1	\$0.6	-82.7%
Greybar Electric	\$1,420.7	\$1,339.5	6.1%	NA	\$28.4	\$27.7	2.5%
Home Depot, Inc.	\$20,990.0	\$22,184.0	-5.4%	-7.9%	\$2,042.0	\$2,557.0	-20.1%
Huttig Building Products	\$195.4	\$239.5	-18.4%	NA	(\$2.5)	\$1.1	-327.3%
Interline Brands, Inc.	\$311.4	\$313.2	-0.6%	NA	\$11.2	\$12.0	-6.7%
Lowe's Companies	\$14,509.0	\$14,167.0	2.4%	-5.3%	\$938.0	\$1,019.0	-7.9%
Lumber Liquidators	\$128.0	\$105.7	21.1%	2.7%	\$5.9	\$2.3	156.5%
Rona, Inc. (C\$)	\$1,473.3	\$1,469.1	0.3%	-4.4%	\$80.1	\$86.2	-7.1%
Sherwin-Williams Company	\$2,229.5	\$2,198.2	1.4%	-4.5%	\$171.7	\$202.6	-15.3%
Tractor Supply Company	\$898.3	\$790.9	13.6%	3.4%	\$47.0	\$43.8	7.3%
United Rentals, Inc.	\$831.0	\$962.0	-13.6%	NA	\$37.0	\$67.0	-44.8%
W.W. Grainger	\$1,756.9	\$1,601.0	9.7%	8.8%	\$113.2	\$104.8	8.0%
Wesco International	\$1,587.8	\$1,518.1	4.6%	NA	\$60.1	\$59.6	0.8%
Food							
Arden Group	\$116.6	\$119.8	-2.7%	-2.7%	\$6.6	\$6.5	1.7%
Casey's General Stores	\$1,565.7	\$1,279.3	22.4%	4.7%	\$28.8	\$29.8	-3.4%
Great Atlantic & Pacific Tea	\$2,922.7	\$1,679.2	74.1%	3.2%	\$2.2	(\$65.1)	103.4%
Kroger Co.	\$18,053.0	\$16,139.0	11.9%	9.7%	\$276.5	\$267.3	3.4%
Loblaws Companies Limited	\$7,037.0	\$6,933.0	1.5%	0.7%	\$140.0	\$119.0	17.6%
Nash Finch Company	\$1,042.0	\$1,064.0	-2.1%	-3.9%	\$10.1	\$9.6	5.2%
Penn Traffic Co.	\$306.9	\$318.0	-3.5%	-1.2%	(\$3.4)	(\$4.9)	30.6%
Publix Super Markets	\$5,894.8	\$5,699.0	3.4%	1.3%	\$295.8	\$306.4	-3.5%
Safeway, Inc.	\$10,120.0	\$9,823.3	3.0%	-0.3%	\$234.3	\$218.2	7.4%
Supervalu Inc.	\$13,347.0	\$13,292.0	0.4%	-0.9%	\$162.0	\$148.0	9.5%
Weis Markets, Inc.	\$603.4	\$578.8	4.3%	4.3%	\$12.8	\$18.2	-29.7%
Drug							
Abbott	\$7,314.0	\$6,370.6	14.8%	NA	\$1,322.0	\$988.7	33.7%

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Second Quarter Scorecard

(continued from page 12)

\$ in Millions. Quarter ended closest to 7/31/08	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Drug							
AmerisourceBergen Corp	\$17,507.5	\$15,289.7	14.5%	NA	(\$108.0)	\$129.9	-183.1%
CVS Caremark Corporation	\$21,140.3	\$20,703.3	2.1%	3.1%	\$774.8	\$723.6	7.1%
Drugstore.com, Inc.	\$122.8	\$110.4	11.2%	NA	(\$2.3)	(\$3.0)	-23.3%
Duane Reade Holdings	\$451.4	\$431.9	4.5%	4.7%	(\$12.1)	(\$20.1)	-39.8%
Express Scripts, Inc.	\$4,706.5	\$4,574.8	2.9%	NA	\$190.2	\$152.7	24.6%
Longs Drug Stores	\$1,332.7	\$1,274.5	4.6%	-1.1%	\$27.5	\$26.6	3.3%
McKesson Corp.	\$26,704.0	\$24,528.0	8.9%	NA	\$235.0	\$235.0	0.0%
Omnicare, Inc.	\$1,550.2	\$1,549.2	0.1%	NA	\$36.8	\$49.2	-25.2%
PharMerica Corporation	\$486.3	\$173.4	180.4%	NA	\$2.9	(\$0.4)	825.0%
Shoppers Drug Mart	\$2,109.3	\$1,928.1	9.4%	4.6%	\$128.3	\$112.2	14.3%
Ulta	\$249.1	\$200.4	24.3%	3.7%	\$3.7	\$2.2	68.2%
High-Tech & Electronics							
Aaron Rents, Inc.	\$411.2	\$359.0	14.5%	4.1%	\$23.3	\$19.7	18.3%
Amazon.com, Inc.	\$4,063.0	\$2,886.0	40.8%	NA	\$158.0	\$78.0	102.6%
Best Buy Co., Inc.	\$9,801.0	\$8,750.0	12.0%	4.2%	\$202.0	\$250.0	-19.2%
BMTC Group Inc.	\$225.5	\$216.1	4.3%	NA	\$17.1	\$14.9	14.8%
Conn's, Inc.	\$179.0	\$190.6	-6.1%	-1.4%	\$9.7	\$10.2	-4.9%
GameStop Corp.	\$1,804.4	\$1,338.2	34.8%	20.0%	\$57.2	\$21.8	162.4%
Ingram Micro Inc.	\$8,816.6	\$8,186.1	7.7%	NA	\$58.9	\$52.4	12.4%
Office Depot, Inc.	\$3,605.1	\$3,631.6	-0.7%	-10.0%	(\$2.0)	\$105.6	-101.9%
OfficeMax Incorporated	\$1,984.6	\$2,132.4	-6.9%	-10.0%	(\$894.2)	\$27.4	-3364%
PC Connection, Inc.	\$449.4	\$441.0	1.9%	NA	\$5.1	\$5.8	-12.1%
PC Mall, Inc.	\$331.2	\$263.0	25.9%	NA	\$3.0	\$3.0	1.1%
RadioShack Corporation	\$994.6	\$934.8	6.4%	6.9%	\$41.4	\$47.0	-11.9%
Rent-A-Center, Inc.	\$719.0	\$724.2	-0.7%	0.9%	\$37.7	\$41.3	-8.7%
Rex Stores Corporation	\$67.4	\$47.9	40.7%	-3.9%	\$1.2	\$5.8	-79.3%
Staples, Inc.	\$5,074.7	\$4,290.4	18.3%	-7.0%	\$150.2	\$178.8	-16.0%
Tech Data Corporation	\$6,166.0	\$5,613.3	9.8%	NA	\$23.7	\$7.2	229.2%
Trans World Entertainment	\$215.2	\$267.3	-19.5%	-7.0%	(\$19.2)	(\$10.1)	-90.1%
Zones, Inc.	\$158.3	\$192.2	-17.6%	NA	\$3.6	\$4.4	-17.8%

Did You Know...?

As a by product of the financial crisis last week, the Libor overnight lending rate almost doubled from 3.10625% to 6.4375%, a record jump. Three month dollar Libor increased from 2.816% to 2.876%, the rate used in many revolving credit facilities.

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