

RETAIL SECTOR WEEKLY

Key Retail News and Commentary

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Remember...

They always say time changes things, but you actually have to change them yourself.

The Growing Concern over "Going Concern"

In what may have been a gross understatement, General Motors CFO Ray Young summarized 2008 as "a tough year" last week. And its future certainly didn't look any brighter as Deloitte & Touche, its auditors, expressed its doubts that its carmaker-client will stay viable.

In the GM annual report, the company carried the auditor's opinion warning: "The corporation's recurring losses from operations, stockholders' deficit, and inability to generate sufficient cash flow meet its obligations and sustain its operations raise substantial doubt about its ability to continue as a going concern."

GM, though, is only one of the more prominent potential casualties of the credit crisis and recession to be in danger of getting a "going-concern" auditor stamped on its year-end financial filings. Indeed, just as creditors have become evermore preoccupied with the words "liquidity" and "cash flow," they have also begun to keep a sharper eye on their customers' ability to continue as a going concern.

Surely, the auto industry will see an uptick in going concern doubts, but other sectors could get stuck with more of the qualified opinions as well. Homebuilders, financial services firms, and retailers are particularly hurt by the financial crisis. And companies in other industries with heavy debt loads may also have to go through their auditors' going concern wringer.

Current auditing rules require auditors to consider several factors during their reviews that may tip them off to the prospect that a company won't be in existence by the next time they do their
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Retailer of the Week: Radioshack

We are reaffirming Radioshack as a "C" moderate risk credit with a "stable" outlook. By the investment community, the results in the fourth quarter were viewed as a disappointment. The company's earnings were not what was expected and the firm's equity took a beating. However, the results were more than enough to satisfy short-term creditors. The firm remained firmly profitable and while the bottom line was lower than last year, it was sufficient for us to maintain our rating.

Throughout the year, Radioshack continued to show its ability to use its operations to generate substantial sums of cash. The cash flow statement was not as strong as it had been but was still very strong by industry standards. The firm generated enough cash from operations to pay for its capex bill and the acquisition of a Mexican subsidiary. The firm also issued \$375 million in senior notes during the year, further boosting its cash position. To close the quarter, the cash position was more than sufficient to please short-term creditors.

Helping the firm along the way was its dedication to keeping inventory levels down to match the current economic environment. Inventory was down nearly 10% from last year, a strong reduction that has helped its gross margin, which has needed all the help it could get. Gross margin was still down substantially for the year.

Radioshack, under the leadership of Julian Day, has seen a very sound transformation into a company that has its feet on solid ground. The firm remains in good shape despite the economic turmoil.

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The Growing Concern over "Going Concern"

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next annual review. Among them: negative recurring operating losses, working capital deficiencies, loan defaults, unlikely prospects for more financing, and work stoppages. Auditors also consider external issues, like legal proceedings and the loss of a key customer or supplier.

If there's potential doubt about a company's going concern status, the audit firm is expected to talk to management about how they plan to keep the company afloat—such as by selling off noncritical assets—and the feasibility of such plans. If, after assessing management's strategies, the auditors still have "substantial doubt" about the company's ability to stay a going concern, they will explain that in their report.

To be sure, with a going concern qualification, a company may be succumbing to a self-fulfilling prophecy. The revised status can further hinder a company on the brink of Chapter 11 from avoiding bankruptcy court as the qualification gives wary investors, suppliers, and lenders a pressing need to turn away.

Through one of its rare practice alerts in December, the Public Company Accounting Oversight Board warned the audit firms to pay attention to high-risk areas for fraud and mistakes during their reviews of financial statements prepared amid the financial downturn. Among the board's reminders was the particular challenge some companies may face to remain viable during a time when many companies' access to financing has decreased and the number of delayed payments has increased.

However, the downturn—including the collapse of several industries, such as the housing markets and the auto sector—itself has put the long-term forecasting ability of auditors and companies into question. After all, the vast majority of people including economists did not see this coming, and certainly auditors didn't see it happening.

I would behoove all to take a look at the auditor's opinion in the financial statements of all of their customers as companies begin to file their annual reports.

Feedback?

Questions?

Suggestions?

[Click Here](#)

FYI for the DIY

AutoZone, Inc. sales increased 8.1% to \$1.448 billion for its second quarter ended February 14. Domestic same store sales increased 6.0%. Net income was up 8.6% to \$115.9 million in the quarter. AutoZone opened 20 new stores and closed one store in the U.S. and opened eight stores in Mexico. Inventory per store was up 1.4% at the end of the quarter.

Huttig Building Products plans to close its Indianapolis and Atlanta facilities, and expects to incur \$1.8 million to \$2.3 million in charges related to remaining lease rentals, asset write-

offs and transfer costs and employee severance payments.

Handy Hardware, a Houston-based co-op with about 1,235 members, is building a 500,000 sq ft distribution center in Meridian, Mississippi, according to *Home Channel News*.

Lowe's Canada is reportedly looking at Canadian Sam's Club locations for possible expansion. As we reported last week, Wal-Mart will close all six of its warehouse stores there.

Options and Resources

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Bankruptcy Blotter

Commercial bankruptcy filings continued to climb as companies across all industries fall prey to an economy that is showing no signs of rebounding. Last month, 6,303 companies sought bankruptcy protection, representing a nearly 47% increase from February 2008.

Through February 17th, 31 companies had defaulted on \$49 billion in debt. Of the 31 defaults, 23 were from the U.S. Standard & Poor's expects the U.S. speculative-grade default rate to increase to 13.9% by January 2010. The ratings agency said the total number of companies at greatest risk of default has risen for the 12th straight month, to 265.

Gottschalks Inc. moved a step closer toward going out of business, designating a consortium of liquidating firms as the "stalking horse" or lead bidder in its upcoming auction on March 30th. The consortium includes **SB Capital Group LLC**; **Tiger Capital Group LLC**; **Great American Group LLC**; and **Hudson Capital Partners LLC**. If the deal goes through, remaining inventory would be sold and the stores closed by July 15.

Joe's Sports & Outdoor (formerly GI Joe's), acquired by **Gryphon Investors** in 2007, filed for bankruptcy protection with plans to keep all 30 of its stores in the Northwest open while it explores securing a new or modified credit line, raising additional capital from a third party or finding a strategic partner. The company has obtained a \$50 million DIP facility from **Wells Fargo Retail Finance**, subject to court approval.

Circuit City has struck a deal with Bell Canada, who will acquire the firm's Canadian operations. The operations are controlled by InterTAN Canada, a subsidiary of Circuit City, and consist of more than 750 The Source stores. The acquisition is subject to court approval and the price will be withheld until further court order. The deal is expected to close in the third calendar quarter of 2009.

The liquidators at **Circuit City** closed all of the remaining stores on March 8. This was about a week ahead of schedule and about two weeks earlier than originally planned. A spokesman for Great American Group said the stores ran out of inventory.

The court has approved **Circuit City Stores'** request to extend its exclusivity period for filing a Plan of Reorganization through July 8, 2009. This allows the company to maintain control of its Chapter 11 case free from interference by outside parties.

Unsecured creditors of **Fortunoff Holdings LLC** are demanding that its lenders give back the \$1.4 million in closing fees they received for the bankruptcy loan they offered the company, a loan that never closed. The committee is also fighting the protections that Fortunoff wants to afford the lenders in exchange for using their cash collateral.

Federal bankruptcy watchdogs, joined by some suppliers, are contesting a proposed deal that would provide \$5 million worth of payments to priority creditors left over from **Goody's Family Clothing's** first Chapter 11 case and immunize executives and lender **Prentice Capital Management** from potential legal action in the company's double-header bankruptcy.

Robbins Bros. Corp., which claims to be the largest chain of engagement ring shops in the U.S., sought bankruptcy protection last week with plans to divvy up its business on the auction block. The retailer, which operates 16 locations in California, Texas and Illinois, secured two lead bidders, **Spence Diamonds Inc.** and **Jewelry Inc.**

Circle C Stores, operator of 25 convenience stores based in Huntsville, Alabama, filed for Chapter 11 protection last week and will liquidate. The privately owned company was kept alive in recent years by an \$880,000 injection of funds from founder **Johnny Benson**.

Masonite International Inc. is expected to announce it will file for Chapter 11 bankruptcy protection as part of a plan to wipe away nearly \$2 billion in debt. Masonite reached a final agreement with lenders and bondholders to reduce its debt from \$2.2 billion to around \$300 million. A lending group led by **Centerbridge Partners** and **Oaktree Capital** will own about 97.5% of the company, with bondholders holding the rest.

Did You Know...?

U.S. pending home sales fell 7.7% in January, the National Association of Realtors said. Year-on-year, the index is down 6.4%.

General Retail News

St. Patrick's Day spending will contract, according to the National Retail Federation's St. Patrick's Day Consumer Intentions and

Actions Study. Consumers plan to spend just \$32.80 this year down from \$35.04 in 2008.

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The Global World of Sports and Footwear

Golfsmith forecasted same store sales will be off mid- to high teens in Q1 2009 and off mid- to high-single digits for the full year.

Broder Bros. faces an April 14 deadline to make partial payments on \$225 million in notes due Oct. 2010. Some analysts believe the Bain Capital-owned company may need to file for Chap. 11 protection if it isn't granted an extension on bond maturity dates. Also, Broder Bros. has retained investment bank Miller Buckfire & Co. as its financial advisor.

Adidas own retail rose 24% in 2008 to 1,432 million (\$1,818.6 million) in 1,332 stores compared to 1,003 stores. Factory stores were 47% of the total and performance concept stores 44%. For the Reebok brand, own retail grew 8% to 379 million (\$481.3 million) in 647 stores compared to 524 prior.

Genesco laid out guidance for two possible CY2009 scenarios: best case, GCO sees a weak H1 with comparable store sales down 3% in both Q1 and Q2, flat in Q3 and up 2% in Q4 for a 1% same store sales increase for the year and earnings from continuing operations of \$1.70-1.80 per share. The company's more pessimistic outlook for the year calls for -4% comps in both Q1 and Q2 and -3% same store sales in Q3 and Q4. That scenario would bring the retailer's FY10 comps in at -3%, force it to more aggressively mark down merchandise to keep inventories clean and generate earnings

from continuing operations of \$1.20-1.30 per share. GCO's Q4 comps by banner were: Journeys, -2%, Hat World -4%.

Foot Locker took a \$41 million impairment charge on store assets and a \$122 million charge on goodwill in the fourth quarter, driving down net income (see the scorecard). Excluding these charges, Foot Locker earned \$38 million this year compared to \$24 million last year. FL cut CapEx spending to \$100 million this year, saying it may increase CapEx later in the year if conditions improve. For now it plans to open 25 stores and remodel-relocate 150 stores.

Brown Shoe owned **Famous Footwear** sales were up 0.5% to \$312.5 million in Q4 ended January 31, thanks to 64 additional stores. Same store sales fell 3.6%. The chain had an operating loss of \$11.9 million versus an operating profit of \$13.4 million.

Out-Fit and **Twenty-Four 7 Fitness Supply**, two So. CA commercial fitness distributors are merging. The new entity, to be based in Simi Valley, CA, will operate as Out-Fit. Twenty-Four 7 Fitness founder Chris Henno will represent the emerging firm in No. and central CA.

Team dealer **Capitol Varsity Sports**, of Oxford, OH, has acquired the assets of same-town rival **Clark Sporting Goods**. Clark was established in 1913. The emerging company will be operated under the Clark's banner.

Did You Know...?

The U.S. nonmanufacturing index was slightly above expectations in February, coming in at 41.6 versus 42.9 in January, the Institute for Supply Management reported.

Rating Changes & Outlooks

Company	S&P Credit Rating		S&P Credit Outlook		GCS Credit Rating
	Current	Prior	Current	Prior	Current
BROWN SHOE COMPANY	B	BB-	NEGATIVE	NM	C-
RIVIERA HOLDINGS CORP	CCC+	B	NEGATIVE	NM	E+
BARNEYS NEW YORK INC	B-	B-	NEGATIVE	STABLE	E
INGLES MARKETS INC	BB-	BB-	NEGATIVE	STABLE	D-
AMAZON COM INC	BBB	BB+	STABLE	POSITIVE	B
CAESARS ENTERTAINMENT INC	NR	BB+	NR	NM	D+
BRODER BROS CO/ SPORTSWEAR DISTRIBUTOR	CCC	B-	NEGATIVE	NEGATIVE	F+
SAKS INC/ FKA PROFFITTS INC	B	B	NEGATIVE	STABLE	E
STARWOOD HOTELS & RESORTS WORLDWIDE	BB+	BBB-	NEGATIVE	NM	D+
FIDELITY NATIONAL TITLE CO	A	A	NEGATIVE	NM	NR
WENDYS INTERNATIONAL	B+	B+	NM	STABLE	D+

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Management on the Move

Walgreens made several executive changes:

- **George J. Riedl** has been promoted to SVP of Pharmacy Innovation and Purchasing in the pharmacy services department. Riedl has been with Walgreens since 1982.
- **Bryan Pugh** was named VP of Merchandising, replacing Riedl. Pugh comes from Tesco's Fresh & Easy operation.
- **Thomas J. Connolly** was promoted to VP of Facilities Development, succeeding William A. Shiel, who has retired.

Weis Markets appointed **Kurt S. Schertle** VP of Sales and Merchandising. Schertle is a veteran of Shoppers Food and Pharmacy, and was most recently President and COO of toy retailer Tree Top Kids. Schertle replaces **Wayne**

Bailey who has become VP of Operational Administration.

Bebe Stores, Inc. President of Bebe Sport **Erin Stern** has left the company.

Wal-Mart's Sam's Club named **Ignacio Perez** EVP of Operations following the retirement of Greg Johnston.

HSN named **Brian Bradley** as EVP of HSN.com and Advanced Services. Bradley was most recently SVP of Multi-Channel at Circuit City.

Nike director **Jeanne P. Jackson** stepped down from the board, and will run all Nike retail operations as President of Direct-to-Consumer for the company. Jackson is former President and CEO of Banana Republic and CEO of Walmart.com.

Heard in the Grocery Aisle

Whole Foods Market, Inc. has reached a settlement agreement with the FTC over the antitrust challenge to WFMI's acquisition of Wild Oats Markets, Inc. Under the terms of the agreement, a divestiture trustee will be appointed to sell the leases and assets of 19 non-operating former Wild Oats stores and 13 stores that are currently operating as well as the Wild Oats trademarks and other intellectual property. The settlement has been placed on public record for a 30-day comment period ending April 6, after which the FTC will issue a final ruling. Whole Foods expects to record a non-cash charge of \$19 million or less for the sale of the 13 operating stores.

Royal Ahold sales rose 13% to 6.6 billion and net income was up 9% to 285 million in the

fourth quarter. Stop & Shop and Giant Landover sales were 14% higher, at 3.07 billion euros. Giant-Carlisle sales rose 20% to 851 million. Same store sales (in US\$) rose 2.3% at Stop & Shop and 4.6% at Giant.

Tesco's **Fresh & Easy** stores have introduced a budget "Buxted" private label for meats, according to the *Wall Street Journal*. The chain has previously introduced 98 cent produce packs to appeal to frugal customers.

Albertson's LLC and **Supervalu** have agreed to extend their Transitional Services Agreement through December 31, 2014. The TSA is to provide Albertson's LLC with back office infrastructure.

Did You Know...?

The U.S. private sector lost 697,000 jobs in February, according to the ADP employment index. The goods-producing sector cut 338,000 jobs, while the services sector lost 359,000 jobs.

Health & Beauty Aids

Pharmacy co-operatives **Associated Pharmacies, Inc.** and **United Drugs** plan to merge, creating a single entity with membership of more than 2,000 independent pharmacies. Upon member approval, the merger is expected to close in June.

Walgreens OptionCare unit has acquired home care services provider CareMax Medical Resources LLC, which operates in Colorado, Florida, Pennsylvania and Texas. Financial terms were not disclosed.

Of **Rite Aid Corp.'s** same store sales increase of 0.8% in Q4, front-end same store sales fell 1.9% while pharmacy same store sales grew 2.4%. Their full-year same store sales also increased 0.8%, with front-end up 0.9% and pharmacy up 0.7%. As of the fiscal year end on February 28, RAD operated 4,901 stores compared to 5,059 stores a year ago.

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Mass Merchant Musings

Costco Wholesale Corp. sales fell 0.8% to \$16.488 billion in the 12 week second fiscal quarter ended February 15. Comp store sales fell 3% overall, but U.S. comps were down only 1%, as the strong dollar pulled international comps down 11% in the quarter. Net income was off 26.9% to \$239.7 million.

Family Dollar Stores, Inc. sales increased 8.7% to \$1.992 billion for the second quarter ended February 28. Comp store sales increased 6.4%. Sales of consumables were up double-digits while apparel sales were soft. FDO now expects earnings for the second quarter of fiscal 2009 will be \$0.59 to \$0.61 per share, an increase from its previous guidance of \$0.48 to \$0.52 per share.

William Ackman, leader of **Pershing Square Capital Management** and significant investor in **Target Inc.**, is disappointed with the management of Target Inc. is proposing a slate of unnamed candidates for election to its Board of Directors. Pershing Square has urged management in the past to sell some of the property under Target stores, to sell its credit card business, and to repurchase company stock. Unfortunately, we could be looking at a possible proxy fight, which will unduly distract management.

Target grand opened 27 new stores on March 8, including 21 general merchandise Targets and six full-grocery SuperTargets, as well as its first two locations in Hawaii.

Also, **Target** is purchasing a 15 acre parcel of land in Westfield, Massachusetts to build a \$100 million distribution center there, according to *The Republican*.

Canadian Tire is testing groceries in two stores, and will add the category in two more stores this spring, according to the *Toronto Star*. The grocery section is just 2% of selling space, but sales have reportedly been better than expected.

Big Lots, Inc. gave initial guidance for the first quarter and full year 2009. In Q1, it expects a comp store sales decrease of 1% to 3% and income from continuing operations of \$0.34 to \$0.40 per share. For the full year, income from continuing operations is forecast at \$1.75 to \$1.90 per share on flat to -2% comp store sales. CapEx is expected to be \$80 to \$85 million for the year.

BJ's Wholesale Club, Inc. issued guidance for fiscal year 2009 and expects net income of \$123 to \$129 million, or \$2.26 to \$2.36 per share.

Specialty Items

Hennes & Mauritz AB has quietly rolled out a soft launch of home-textile products including pillows and towels, though currently only online and only in Europe, according to a report in the *Wall Street Journal*. H&M's main competitor Zara launched Zara Home interior furnishing stores in 2003.

Housewares sales saw declines across the board in 2008, according to The NPD Group, Inc. Bakeware and cookware each declined nearly 4% in dollars. Glass bakeware grew by 6%, while cast iron cookware and bakeware grew by 27% in dollars y-o-y. Glass dinnerware grew almost 8%, but glass beverage ware declined nearly 8% and crystal and acrylic beverage ware each declined more than 17%. Crystal giftware fell nearly 20% in dollars, compared to 2007.

PetSmart issued 2009 guidance, expecting sales growth of mid-to-high-single digits and

comp store sales growth of low-single digits. Earnings are expected to be \$1.40 to \$1.50 per share. CapEx of \$115 to \$125 million will fuel 40 to 42 new stores and 20 new PetsHotels during the year.

Raymour & Flanigan will open five stores in 2009, according to *Furniture Today*, taking advantage of cheap big box real estate. It just opened a store in a former Levitz in Queens, New York, and three more stores will open in former Linen N' Things locations in Philadelphia, Brooklyn and Secaucus. One additional store will open in the Bronx later this year. In 2008, Raymour & Flanigan opened eleven stores in former Levitz locations.

Celebrating Home is the new name of MLM home décor direct marketer Home & Garden Party, which recently acquired the assets of competitor Home Interiors.

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Off the Rack

Talbots, Inc. has finalized the \$200 million unsecured interest only term loan facility from Aeon Co., Ltd. The loan terms have no covenants for financial ratios and the maturity can be extended to 2012. Also, Bank of Tokyo-Mitsubishi has convert the company's existing \$15 million uncommitted working capital line to a committed line, effective immediately.

Chico's FAS, Inc.'s Q4 loss (see the scorecard) included two significant after-tax charges: \$9.1 million related to the write-off of fixed assets at underperforming stores and \$6.6 million for severance and workforce reduction costs. Without these charges, the fourth quarter net loss would have been \$24.8 million compared to a loss of \$20.5 million in Q4 2007.

Cache Inc. introduced guidance for the first quarter of 2009. Sales are estimated at \$53 to \$55 million, down from \$67.7 million in Q1 2008. CACH expects a loss of (\$0.12) to (\$0.16) per share in the quarter.

Gymboree Corp. expects first quarter 2009 comps will be down 20% to 25% largely due to the new CPSC product safety rules for children's apparel and products. Net income for the first fiscal quarter is expected to be \$0.18 to \$0.25 per share. CapEx for 2009 is planned at \$50 million, and GYMB plans to open 75 new stores, consisting of 25 Gymboree stores, 20 Gymboree Outlet stores, 5 Janie and Jack shops and 25 Crazy 8 stores.

Burlington Coat Factory Warehouse Corp. sales increased 3.5% to \$1.022 billion in the third quarter ended February 28. Comp store

sales fell 4.3%. The company has opened thirty net new stores year to date, and plans to open six more in fiscal Q4.

Dillard's, Inc. had after tax charges of \$136.5 million for asset impairment and store closings and \$4.6 million for hurricane related costs contributing to the company's \$149.3 million 2008 loss. One-time gains of \$15.5 million after tax included proceeds from the sale of a San Antonio store and an airplane.

Children's Place Retail Stores, Inc. now expects that fourth quarter and full-year 2008 earnings from continuing operations will be at the high end of the estimated ranges provided earlier: \$0.73 to \$0.78 per share for Q4 and \$2.45 to \$2.50 per share for the full year.

American Eagle Outfitters, Inc. now expects fourth quarter earnings to be \$0.19 per share, excluding a non-cash impairment charge of \$0.03 per share. That's down from earnings of \$0.66 per share in the fourth quarter last year.

AnnTaylor Stores Corp. took after-tax charges of \$317 million in the fourth quarter of 2008 and \$337 million for the full year for goodwill and asset impairment. Even without the charges, ANN would have lost \$58.1 million in Q4. The company will expand its restructuring program and now expects to close 163 stores, up from 117 stores previously identified for closure. Total one-time costs are now expected to be \$95 to \$100 million, but \$92 million have already been incurred, and incremental restructuring savings for 2009 are expected to be \$35 to \$40 million.

Did You Know...?

State unemployment claims fell by 31,000 to a seasonally adjusted 639,000 last week, the Labor Department reported. The four week moving average rose to 641,750.

Hi Tech Entertainment

PC Mall, Inc. released preliminary Q4 and full year results (see the scorecard), which include a non-cash pre-tax charge of \$4.1 million for goodwill impairment. That may not be all, however, as the company is still reviewing the \$29.9 million of goodwill in its MME segment. Any further writedowns will be included in the 10-K.

Barnes & Noble, Inc. has acquired e-book retailer Fictionwise for \$15.7 million in cash. B&N plans to launch an e-Bookstore later this year, but will keep Fictionwise as a separate business unit.

Toys 'R' Us is testing a program in which the retailer offers store credit for used video games,

according to *Wired*. The test is reportedly running in a Nanuet, New York store for four months.

Tech Data Corp. noted that sales for the first-quarter ending April 30 are expected to be down by as much as 20% year-over-year.

Virgin Megastores will shutter its Times Square flagship store and two others of its six U.S. locations this spring, and will likely close the remaining three stores this summer.

Blockbuster has hired law firm Kirkland & Ellis to help the company evaluate options for raising capital and possible restructuring.

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Retailer of the Week: Radioshack

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\$ figures in millions, 12-Months ended	12/31/2008 (FY08)	12/31/2007 (FY07)	Year-over-Year Change
Liquidity Ratios			
Cash and Equivalents	\$814.8	\$509.7	59.86%
Cash and Equivalents % Current Liabilities	127.87%	68.14%	5,973 bps
Working Capital	\$1,154.8	\$818.8	41.04%
Current Ratio	2.81x	2.09x	72 bps
Leverage Ratios			
EBITDA / Interest Expense	13.81x	12.56x	125 bps
Total Debt	\$771.8	\$409.4	88.52%
Total Debt / Total Equity	94.43%	53.19%	4,124 bps
Total Liabilities / Total Assets	64.21%	61.31%	290 bps

OPERATING PERFORMANCE

Fourth Quarter Ended December 31, 2008

Revenues for the fourth quarter ended December 31, 2008 were \$1.26 billion, a 7.7% decline from the fourth quarter a year ago. Comp store sales for the company were down 9.2% for the quarter, reversing the positive trend we had been seeing at this retailer. Radioshack company-operated stores saw revenues fall 10.2%, while kiosk revenues were down 2.2% and other revenues were up 16.8%. The kiosk revenues were negatively impacted by fewer Sprint kiosks, but an increase in Sam's Club kiosks partially offset the decline. Online sales were up 53.9% for the quarter.

The company's gross margin has been falling throughout the year and the fourth quarter was no different. The figure showed a drop of 300 basis points in the fourth quarter, largely a result of the shift away from the higher-rate new activation wireless business. The SG&A burden rose 100 basis points for the three months due to the drop in revenues. On a dollar basis, SG&A spending fell \$19.6 million but the revenues fell at a faster clip.

Operating profits for the three months were \$424.6 million, a reduction from \$446 in operating profits for the holiday quarter last year. Most importantly from a credit perspective, the firm remained soundly profitable. The EBITDA of \$447.6 million was below the \$470.8 million for the same quarter last year.

For the quarter, Radioshack reported profits of \$62 million, down from \$101 million last year. The fourth quarter profits were largely viewed as a disappointment by the investment community but were more than sufficient to keep its short-term creditors happy.

Year Ended December 31, 2008

Revenues for the year ended December 31, 2008 were \$4.22 billion, down 0.6% from last year. Comp store sales for the company were down 0.6% for year as the strong first three quarters were offset by a drop in the fourth quarter. Radioshack company-operated stores saw revenues fall 0.7% to \$3.61 billion, kiosk revenues were down 4.5% and other revenues were up 4.1%. For the company-operated stores, wireless revenues were down 0.9% to \$1.08 billion, accessory revenues were up 15% to \$1.09 billion, personal electronics revenues were down 17.5% to \$486.7 million, and modern home revenues were down 7.4% to \$457.7 million.

The company's gross margin dealt with numerous issues during the year and fell considerably from last year. The new wireless products sold by the firm don't carry the high margins of the past, while a shift to generally lower margin products and increased markdowns pulled the figure down. The gross margin was down 210 basis points for the year. Radioshack did what it could to cut costs, as SG&A spending fell \$28.7 million. The SG&A burden fell 50 basis points, largely from a drop in compensation. For the year, Radioshack reported an operating profit of \$322 million, a reduction from \$381.9 million last year. The EBITDA for the year was \$412.9 million, lower than the \$487.3 million last year. For the year, Radioshack reported profits of \$192.4 million, down from \$236.8 million last year.

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Retailer of the Week: Radioshack

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CAPITAL STRUCTURE

Despite the falling revenues and profits, Radioshack's operations continue to generate substantial sums of cash. To Global Credit Services, at this point in time, this is key to the stability of the firm. The operations of the firm generated \$274.6 million in cash for the year, boosted by the planned reduction in inventory to match the current selling environment. The cash generated from operations was more than sufficient to pay for the \$85.6 million capex bill and the \$42 million that was used to acquire a Mexican subsidiary. Radioshack also issued \$375 million in new debt, helping to boost cash further. \$111.3 million was used to buy back stock during the quarter. Cash closed the quarter at \$814.8 million, more than enough liquidity to continue operating this business.

The debt position had been falling, but that trend was reversed in the third quarter. Radioshack took out a \$375 million convertible note in the quarter. This has done wonders for the liquidity position, but the debt indicators spiked as a result. There is just \$39.3 million in debt classified as short-term on the balance sheet.

During the third quarter, Radioshack terminated one of its revolving credit facilities. The facility was in the amount of \$300 million and was set to expire in June 2009. The firm instead chose to issue convertible notes. There is still a \$350 million revolver that has not been utilized.

Upcoming Reporting Dates

Company	Event	Date
Advance Auto Parts	Investor Conference	Mar 10, 2009
Aeropostale	Financial Results	Mar 12, 2009
Barnes & Noble	Financial Results	Mar 19, 2009
Bon-Ton Stores	Financial Results	Mar 11, 2009
Bon-Ton Stores	Investor Conference	Mar 12, 2009
Cato	Financial Results	Mar 19, 2009
Charming Shoppes	Financial Results	Mar 18, 2009
Charming Shoppes	Investor Conference	Mar 12, 2009
Coldwater Creek	Investor Conference	Mar 11, 2009
Collective Brands	Financial Results	Mar 10, 2009
CVS	Investor Conference	Mar 10, 2009
Dick's Sporting Goods	Financial Results	Mar 10, 2009
Dick's Sporting Goods	Investor Conference	Mar 12, 2009
Dress Barn	Investor Conference	Mar 11, 2009
Ethan Allen	Investor Conference	Mar 10, 2009
Family Dollar Stores	Financial Results	Apr 8, 2009
Hibbett Sports	Financial Results	Mar 12, 2009
Hibbett Sports	Investor Conference	Mar 9, 2009
Home Depot	Investor Conferences	Mar 9 & 12, 2009
Ingram Micro	Investor Conferences	Mar 9, 2009
J.Crew Group	Financial Results	Mar 10, 2009
Jo-Ann Stores	Financial Results	Mar 11, 2009
Kirkland's	Financial Results	Mar 20, 2009
Kroger	Financial Results	Mar 10, 2009
Kroger	Investor Conference	Mar 11, 2009
Lowe's Companies	Investor Conference	Mar 11, 2009
Men's Wearhouse	Financial Results	Mar 11, 2009
Nash Finch	Financial Results	Mar 12, 2009
PC Mall	Investor Conference	Mar 10, 2009
Saks	Investor Conference	Mar 12, 2009
Stage Stores	Financial Results	Mar 10, 2009
Staples	Financial Results	Mar 11, 2009
Talbots	Financial Results	Mar 12, 2009
Tech Data	Investor Conferences	Mar 10, 2009
Tractor Supply	Investor Conferences	Mar 9 & 13, 2009
Tween Brands	Investor Conference	Mar 11, 2009
Walgreens	Financial Results	Mar 23, 2009
Wal-Mart Stores	Investor Conference	Mar 12, 2009
Wet Seal	Financial Results	Mar 26, 2009
Williams-Sonoma	Investor Conferences	Mar 10 & 11, 2009
Zumiez	Financial Results	Mar 12, 2009

Did You Know...?

U.S. payrolls lost 651,000 jobs in February, and the unemployment rate grew to 8.1% in the month, the highest rate since 1984. The Federal Reserve doesn't expect the unemployment rate to fall below 7% until 2011.

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Fourth Quarter Scorecard

\$ in Millions. Quarter ended closest to 1/31/09	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
Abercrombie & Fitch	\$997.7	\$1,229.0	-18.8%	-25.0%	\$68.4	\$216.8	-68.5%
Aeropostale, Inc.	\$690.1	\$591.3	16.7%	6.0%	tba	\$64.7	tba
American Eagle Outfitters	\$905.7	\$995.4	-9.0%	-16.0%	tba	\$140.5	tba
AnnTaylor Stores Corp.	\$483.4	\$600.8	-19.5%	-24.5%	(\$375.6)	(\$6.7)	-5506%
Bon Ton Stores, Inc.	\$1,031.4	\$1,138.9	-9.4%	-9.7%	tba	\$75.2	tba
Cache, Inc.	\$65.9	\$78.5	-16.1%	-17.0%	(\$5.5)	\$4.9	-211.6%
Carter's, Inc.	\$422.0	\$393.4	7.3%	4.1%	\$27.3	\$28.6	-4.5%
Cato Corporation	\$209.1	\$209.4	-0.1%	-3.0%	tba	(\$1.8)	tba
Chico's FAS, Inc.	\$373.4	\$409.3	-8.8%	-13.0%	(\$40.5)	(\$20.5)	-97.2%
Children's Place	\$441.5	\$443.3	-0.4%	-5.0%	tba	(\$58.5)	tba
Citi Trends, Inc.	\$146.6	\$134.6	8.9%	-1.9%	tba	\$8.4	tba
Coldwater Creek Inc.	\$283.2	\$345.5	-18.0%	-21.4%	(\$18.6)	(\$17.0)	-9.4%
Dillard's, Inc.	\$2,038.9	\$2,162.5	-5.7%	-8.0%	(\$149.3)	\$47.3	-415.4%
Eddie Bauer Holdings	\$356.0	\$377.6	-5.7%	-8.8%	tba	(\$18.3)	tba
Gap Inc.	\$4,082.0	\$4,675.0	-12.7%	-14.0%	\$243.0	\$265.0	-8.3%
Gottschalks	\$184.2	\$204.4	-9.9%	-7.1%	tba	\$1.1	tba
Gymboree Corporation	\$288.7	\$278.4	3.7%	-2.0%	\$29.5	\$26.8	10.2%
Hot Topic, Inc.	\$238.0	\$220.7	7.8%	5.2%	tba	\$11.9	tba
J.C. Penney Company	\$5,759.0	\$6,390.0	-9.9%	-10.8%	\$211.0	\$430.0	-50.9%
Jo-Ann Stores, Inc.	\$571.9	\$585.9	-2.4%	-2.9%	tba	\$27.5	tba
Kohl's Corporation	\$5,235.5	\$5,487.3	-4.6%	-4.6%	\$336.0	\$411.7	-18.4%
Limited Brands	\$2,991.1	\$3,228.3	-7.3%	-10.0%	\$16.1	\$389.0	-95.9%
Macy's, Inc.	\$7,934.0	\$8,594.0	-7.7%	-7.0%	\$310.0	\$750.0	-58.7%
Nordstrom, Inc.	\$2,301.0	\$2,514.0	-8.5%	-12.5%	\$68.0	\$212.1	-67.9%
Pacific Sunwear	\$351.7	\$384.3	-8.5%	-10.0%	tba	\$5.2	tba
Retail Ventures, Inc.	\$455.5	\$452.0	0.8%	-7.9%	tba	(\$125.7)	tba
Ross Stores, Inc.	\$1,734.0	\$1,652.0	5.0%	-1.0%	tba	\$94.5	tba
Saks Incorporated	\$800.1	\$999.7	-20.0%	-15.3%	(\$98.8)	\$39.5	-350.3%
Stage Stores, Inc.	\$455.8	\$473.1	-3.7%	-7.2%	tba	\$31.7	tba
Talbots, Inc.	\$328.0	\$428.0	-23.4%	-24.6%	tba	(\$171.4)	tba
TJX Companies	\$5,380.0	\$5,391.9	-0.2%	-2.0%	\$250.7	\$301.1	-16.7%
Tween Brands, Inc.	\$265.9	\$316.1	-15.9%	-23.0%	(\$13.9)	\$25.0	-155.6%
Urban Outfitters, Inc.	\$508.1	\$465.4	9.2%	-1.0%	\$40.5	\$53.6	-24.5%
Wet Seal, Inc.	\$154.8	\$179.6	-13.8%	-13.4%	tba	\$12.2	tba
Drug							
Abbott	\$7,950.3	\$7,221.4	10.1%	NA	\$1,536	\$1,203.0	27.7%
CVS Caremark Corporation	\$24,142.2	\$21,942.4	10.0%	3.6%	\$952.8	\$815.0	16.9%
Drugstore.com, Inc.	\$93.9	\$91.3	2.8%	NA	\$0.3	(\$2.3)	113.0%
Express Scripts, Inc.	\$5,510.0	\$5,550.0	-0.7%	NA	\$206.8	\$138.5	49.3%
Rite Aid Corp.	\$6,683.0	\$6,810.0	-1.9%	-0.1%	tba	(\$952.2)	tba
Shoppers Drug Mart	\$2,496.8	\$2,168.8	15.1%	3.6%	\$173.1	\$151.3	14.4%
Home Centers							
Calloway's Nursery, Inc.	\$8.6	\$11.0	-21.8%	1.2%	(\$0.3)	(\$0.1)	300.0%
Fastenal Company	\$545.0	\$519.2	5.0%	2.2%	\$62.5	\$56.2	11.2%
Griffin Land & Nurseries	\$11.1	\$10.8	2.8%	NA	(\$7.6)	\$2.0	-480.0%
Home Depot, Inc.	\$14,607.0	\$17,659.0	-17.3%	-13.0%	(\$54.0)	\$671	-108.0%
Huttig Building Products	\$126.0	\$179.9	-30.0%	NA	(\$15.4)	(\$5.8)	-165.5%
Interline Brands, Inc.	\$277.6	\$300.2	-7.5%	NA	\$7.2	\$13.6	-47.1%
Lowe's Companies	\$9,984.0	\$10,379.0	-3.8%	-9.9%	\$162.0	\$408.0	-60.3%
Sherwin-Williams Company	\$1,699.8	\$1,853.9	-8.3%	-10.0%	\$50.2	\$100.8	-50.2%
Tractor Supply Company	\$799.5	\$723.3	10.5%	1.3%	\$24.7	\$30.0	-17.7%
True Value Company	\$483.5	\$479.2	0.9%	NA	\$20.0	\$16.1	24.2%
United Rentals, Inc.	\$791.0	\$925.0	-14.5%	NA	(\$853.0)	\$155.0	-650.3%
W.W. Grainger	\$1,592.7	\$1,611.8	-1.2%	0.1%	\$107.9	\$104.4	3.4%
Wesco International	\$1,429.8	\$1,489.2	-4.0%	NA	\$41.9	\$61.1	-31.4%
Specialty							
Advance Auto Parts, Inc.	\$1,192.4	\$1,048.4	13.7%	3.0%	\$24.4	\$34.8	-29.8%

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Fourth Quarter Scorecard

(continued from page 10)

\$ in Millions. Quarter ended closest to 1/31/09	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Specialty							
Blue Nile, Inc.	\$85.8	\$111.9	-23.3%	NA	\$3.5	\$7.5	-53.3%
Finlay Enterprises, Inc.	\$306.7	\$383.1	-19.9%	-15.0%	tba	\$13.4	tba
Haverty Furniture	\$161.8	\$205.8	-21.4%	-22.6%	(\$10.1)	\$1.6	-715.9%
Kirkland's, Inc.	\$133.6	\$138.3	-3.4%	5.3%	tba	\$1.5	tba
Leon's Furniture Limited	\$206.1	\$185.9	10.9%	-1.7%	\$23.2	\$21.6	7.4%
PetSmart, Inc.	\$1,359.3	\$1,328.4	2.3%	3.0%	\$78.4	\$75.4	4.0%
Sports & Footwear							
Bakers Footwear Group, Inc	\$55.5	\$54.7	1.5%	3.6%	tba	\$7.4	tba
Big 5 Sporting Goods Corp.	\$219.6	\$232.1	-5.4%	-8.6%	\$3.6	\$6.2	-41.7%
Brown Shoe Company, Inc.	\$521.0	\$571.4	-8.8%	-3.6%	(\$153.0)	\$14.0	-1197%
Cabela's	\$879.4	\$889.5	-1.1%	2.2%	\$49.4	\$56.2	-12.1%
Foot Locker	\$1,317.0	\$1,482.0	-11.1%	-7.3%	(\$126.0)	\$72.0	-275.0%
Gander Mountain	\$333.0	\$317.6	4.8%	-0.2%	\$20.0	\$5.8	244.8%
Genesco Inc.	\$451.7	\$467.0	-3.3%	-5.0%	\$23.7	\$3.2	640.6%
Golfsmith International	\$67.8	\$79.0	-14.2%	-17.3%	(\$6.5)	(\$46.7)	86.1%
GSI Commerce	\$391.4	\$335.1	16.8%	NA	\$24.4	\$16.5	47.9%
Recreational Equipment	(\$1,029.5)	(\$924.6)	11.3%	tba	(\$1.7)	(\$16.2)	-89.7%
West Marine, Inc.	\$111.1	\$118.3	-6.1%	-5.1%	(\$29.0)	(\$65.6)	55.8%
WinMark Corporation	\$8.7	\$8.0	8.7%	-18.1%	(\$2.1)	(\$0.9)	-133.3%
High-Tech & Electronics							
Aaron Rents, Inc.	\$404.9	\$364.7	11.0%	6.2%	\$21.1	\$15.5	36.1%
Amazon.com, Inc.	\$6,704.0	\$5,673.0	18.2%	NA	\$225.0	\$207.0	8.7%
BMTC Group Inc.	\$216.8	\$223.6	-3.0%	NA	\$21.9	\$16.1	36.0%
Conn's, Inc.	\$245.4	\$200.6	22.3%	12.5%	tba	\$13.1	tba
GameStop Corp.	\$3,500.0	\$2,865.6	22.1%	9.6%	tba	\$189.8	tba
IAC/InterActiveCorp	\$351.0	\$378.9	-7.4%	NA	\$227.4	(\$369.9)	161.5%
Ingram Micro Inc.	\$8,684.5	\$10,007.4	-13.2%	NA	(\$564.3)	\$114.1	-594.6%
Office Depot, Inc.	\$3,270.6	\$3,866.9	-15.4%	-18.0%	(\$1,539)	\$18.8	-8286%
OfficeMax Incorporated	\$1,883.1	\$2,198.1	-14.3%	-13.6%	(\$395.2)	\$71.5	-652.7%
PC Connection, Inc.	\$439.1	\$489.6	-10.3%	NA	\$1.9	\$6.2	-69.4%
PC Mall, Inc.	\$334.3	\$408.0	-18.1%	NA	\$1.0	\$4.6	-78.3%
RadioShack Corporation	\$1,258.7	\$1,364.3	-7.7%	-9.2%	\$62.0	\$101.0	-38.6%
Rent-A-Center, Inc.	\$699.8	\$717.0	-2.4%	0.0%	\$36.1	(\$5.4)	768.5%
Systemax Inc.	\$812.7	\$769.3	5.6%	NA	\$10.0	\$24.2	-58.8%
Tech Data Corporation	\$5,712.5	\$6,483.9	-11.9%	NA	\$58.6	\$50.2	16.7%
Trans World Entertainment	\$344.7	\$451.5	-23.7%	-14.0%	(\$9.4)	(\$66.0)	85.8%
United Stationers Inc.	\$1,145.2	\$1,119.9	2.3%	NA	\$22.6	\$28.3	-20.1%
Mass Merchants							
Big Lots, Inc.	\$1,366.9	\$1,412.4	-3.2%	-3.2%	\$78.8	\$92.0	-14.4%
BJ's Wholesale Club, Inc.	\$2,558.0	\$2,479.9	3.1%	6.4%	\$52.7	\$50.2	4.9%
Canadian Tire	\$2,587.8	\$2,505.1	3.3%	7.3%	\$101.2	\$131.3	-22.9%
Dollar General Corporation	\$2,845.8	\$2,559.6	11.2%	9.4%	tba	\$55.4	tba
Dollar Tree Inc.	\$1,386.5	\$1,298.6	6.8%	2.2%	\$105.2	\$94.7	11.1%
Fred's, Inc.	\$469.4	\$494.1	-5.0%	-1.1%	tba	(\$4.4)	tba
Overstock.com	\$255.9	\$294.5	-13.1%	NA	\$1.0	(\$6.5)	115.4%
Sears Canada Inc.	\$1,616.3	\$2,295.8	-29.6%	-6.2%	\$95.5	\$145.4	-34.3%
Sears Holding Corp.	\$13,280.0	\$15,074.0	-11.9%	-8.3%	\$190.0	\$426.0	-55.4%
Target Corporation	\$19,560	\$19,872	-1.6%	-5.9%	\$609.0	\$1,028.0	-40.8%
Wal-Mart Stores, Inc.	\$109,116	\$107,343	1.7%	2.3%	\$3,792	\$4,096	-7.4%
Food							
Loblaw Companies Limited	\$7,745.0	\$6,967.0	11.2%	10.6%	\$188.0	\$40.0	370.0%
Publix Super Markets	\$6,000.0	\$5,939.9	1.0%	-0.9%	\$249.0	\$311.0	-19.9%
Safeway, Inc.	\$13,815.9	\$13,356.4	3.4%	-1.2%	\$338.0	\$301.1	12.3%
Village Supermarket, Inc.	\$312.4	\$292.8	6.7%	5.9%	\$8.0	\$6.4	25.0%
Weis Markets, Inc.	\$619.4	\$603.0	2.7%	2.2%	\$17.0	\$8.6	97.7%

Numbers in italics are implied or company estimates.

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Full Year Scorecard

\$ in Millions Full fiscal year	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Apparel							
Abercrombie & Fitch	\$3,540.3	\$3,749.9	-5.6%	-13.0%	\$272.3	\$475.7	-42.8%
Aeropostale, Inc.	\$1,886.0	\$1,591.0	18.5%	8.0%	tba	\$129.2	tba
American Eagle Outfitters	\$2,989.0	\$3,055.0	-2.2%	-10.0%	tba	\$400.0	tba
AnnTaylor Stores Corp.	\$2,194.6	\$2,396.5	-8.4%	-14.8%	(\$333.9)	\$97.2	-443.5%
Bon Ton Stores, Inc.	\$3,130.0	\$3,365.9	-7.0%	-7.4%	tba	\$11.6	tba
Cache, Inc.	\$265.7	\$274.5	-3.2%	-4.0%	(\$7.1)	\$6.5	-208.9%
Carter's, Inc.	\$1,490.0	\$1,412.2	5.5%	9.0%	\$75.1	\$65.8	206.4%
Cato Corporation	\$845.7	\$834.3	1.4%	-1.0%	tba	\$32.3	tba
Chico's FAS, Inc.	\$1,582.4	\$1,714.3	-7.7%	-15.1%	(\$19.1)	\$88.9	-121.5%
Children's Place	\$1,630.3	\$1,520.5	7.2%	2.0%	tba	(\$59.6)	tba
Citi Trends, Inc.	\$488.2	\$437.5	11.6%	0.0%	tba	\$14.2	tba
Coldwater Creek Inc.	\$1,024.2	\$1,151.5	-11.1%	tba	(\$26.0)	(\$2.5)	-940.0%
Dillard's, Inc.	\$6,830.5	\$7,207.4	-5.2%	-7.0%	(\$241.1)	\$53.8	-548.5%
Eddie Bauer Holdings	\$971.3	\$989.4	-1.8%	-1.8%	tba	(\$101.7)	tba
Gap Inc.	\$14,526.0	\$15,763.0	-7.8%	-12.0%	\$967.0	\$833.0	16.1%
Gottschalks	\$563.2	\$628.5	-10.4%	-8.8%	tba	(\$12.4)	tba
Gymboree Corporation	\$1,000.7	\$920.8	8.7%	0.0%	\$93.5	\$80.3	16.4%
Hot Topic, Inc.	\$761.0	\$728.1	4.5%	1.0%	tba	\$16.0	tba
J.C. Penney Company	\$18,486.0	\$19,860.0	-6.9%	-8.5%	\$572.0	\$1,111.0	-48.5%
Jo-Ann Stores, Inc.	\$1,901.0	\$1,879.0	1.2%	0.5%	tba	\$15.4	tba
Kohl's Corporation	\$16,388.9	\$16,473.7	-0.5%	-0.5%	\$885.0	\$1,083.9	-18.3%
Limited Brands	\$9,042.7	\$10,086.4	-10.3%	-9.0%	\$220.1	\$718.0	-69.3%
Macy's, Inc.	\$24,892.0	\$26,313.0	-5.4%	-4.6%	\$280.0	\$893.0	-68.6%
Nordstrom, Inc.	\$8,272.0	\$8,828.0	-6.3%	-9.0%	\$401.0	\$715.0	-43.9%
Pacific Sunwear	\$1,250.0	\$1,310.0	-4.6%	-5.0%	tba	(\$30.4)	tba
Retail Ventures, Inc.	\$1,885.0	\$1,871.9	0.7%	-5.1%	tba	\$51.4	tba
Ross Stores, Inc.	\$6,486.0	\$5,975.0	8.6%	2.0%	tba	\$261.1	tba
Saks Incorporated	\$3,053.8	\$3,249.1	-6.0%	-6.1%	(\$154.9)	\$47.5	-426.3%
Stage Stores, Inc.	\$1,515.8	\$1,545.6	-1.9%	-6.1%	tba	\$53.1	tba
Talbots, Inc.	\$1,495.0	\$1,708.0	-12.5%	-14.2%	tba	(\$188.8)	tba
TJX Companies	\$18,990.0	\$18,340.0	3.5%	1.0%	\$880.6	\$771.8	14.1%
Tween Brands, Inc.	\$995.1	\$1,014.0	-1.9%	-12.0%	(\$17.1)	\$52.6	-132.5%
Urban Outfitters, Inc.	\$1,834.6	\$1,507.7	21.7%	8.0%	\$199.4	\$160.2	24.4%
Wet Seal, Inc.	\$735.3	\$611.2	20.3%	tba	tba	\$23.2	tba
Drug							
Abbott	\$29,528	\$25,914	13.9%	NA	\$4,881	\$3,606	35.3%
CVS Caremark Corporation	\$87,471.9	\$76,329.5	14.6%	4.5%	\$3,212.1	\$2,637.0	21.8%
Drugstore.com, Inc.	\$366.6	\$339.3	8.0%	NA	(\$8.3)	(\$11.5)	27.8%
Express Scripts, Inc.	\$21,980.0	\$21,820.0	0.7%	NA	\$776.1	\$567.8	36.7%
Rite Aid Corp.	\$26,185.0	\$24,319.0	7.7%	0.8%	tba	(\$1,079)	tba
Shoppers Drug Mart	\$9,422.9	\$8,478.4	11.1%	4.8%	\$565.2	\$490.4	15.3%
Home Centers							
Calloway's Nursery, Inc.	\$44.3	\$46.4	-4.5%	0.6%	\$0.6	\$0.4	50.0%
Fastenal Company	\$2,340.4	\$2,061.8	13.5%	9.6%	\$279.7	\$232.6	20.2%
Griffin Land & Nurseries	\$44.5	\$59.4	-25.1%	NA	(\$11.2)	\$9.4	-219.1%
Home Depot, Inc.	\$71,288.0	\$77,349.0	-7.8%	-8.7%	\$2,260	\$4,395	-48.6%
Huttig Building Products	\$671.0	\$874.8	-23.3%	NA	(\$35.4)	(\$8.2)	-331.7%
Interline Brands, Inc.	\$1,195.7	\$1,239.0	-3.5%	NA	\$40.8	\$51.0	-20.0%
Lowe's Companies	\$48,230.0	\$48,283.0	-0.1%	-7.2%	\$2,195.0	\$2,809.0	-21.9%
Sherwin-Williams Company	\$7,979.7	\$8,005.3	-0.3%	-5.3%	\$476.9	\$615.6	-22.5%
Tractor Supply Company	\$3,007.9	\$2,703.2	11.3%	1.4%	\$81.9	\$96.2	-14.9%
True Value Company	\$2,010.0	\$2,020.0	-0.5%	-2.1%	\$64.2	\$63.8	0.6%
United Rentals, Inc.	\$2,469.0	\$2,625.0	-5.9%	NA	(\$704.0)	\$362.0	-294.5%
W.W. Grainger	\$6,850.0	\$6,418.0	6.7%	6.1%	\$475.4	\$420.1	13.2%
Wesco International	\$6,110.8	\$6,003.4	1.8%	NA	\$212.7	\$240.6	-11.6%
Specialty							
Advance Auto Parts, Inc.	\$5,142.3	\$4,844.4	6.1%	1.5%	\$238.0	\$238.3	-0.1%

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Full Year Scorecard

(continued from page 12)

\$ in Millions Full fiscal year	Sales			Comps	Net Income		
	2008	2007	Change		2008	2007	Change
Specialty							
Blue Nile, Inc.	\$295.3	\$319.3	-7.5%	NA	\$11.6	\$17.5	-33.7%
Finlay Enterprises, Inc.	\$862.6	\$835.9	3.2%	-10.6%	tba	(\$10.1)	tba
Haverty Furniture	\$691.1	\$784.6	-11.9%	-14.3%	(\$12.9)	\$1.8	-833.0%
Kirkland's, Inc.	\$391.3	\$396.7	-1.4%	3.6%	tba	(\$25.9)	tba
Leon's Furniture Limited	\$740.4	\$637.5	16.1%	2.3%	\$63.4	\$58.5	8.4%
PetSmart, Inc.	\$5,065.3	\$4,672.7	8.4%	3.8%	\$192.7	\$258.7	-25.5%
Sports & Footwear							
Bakers Footwear Group, Inc.	\$183.7	\$186.3	-1.4%	0.5%	tba	(\$17.7)	tba
Big 5 Sporting Goods Corp.	\$864.7	\$898.3	-3.7%	-7.0%	\$13.9	\$28.1	-50.5%
Brown Shoe Company, Inc.	\$2,276.4	\$2,360.0	-3.5%	tba	(\$133.2)	\$60.4	-320.4%
Cabela's	\$2,552.7	\$2,349.6	8.6%	-3.7%	\$76.4	\$87.9	-13.1%
Foot Locker	\$5,237.0	\$5,437.0	-3.7%	-3.2%	(\$81.0)	\$38.0	-313.2%
Gander Mountain	\$1,063.5	\$969.4	9.7%	tba	tba	(\$31.8)	tba
Genesco Inc.	\$1,551.6	\$1,502.1	3.3%	0.0%	\$152.6	\$6.9	2112%
Golfsmith International	\$378.8	\$388.2	-2.4%	-6.3%	(\$0.5)	(\$40.8)	98.8%
GSI Commerce	\$966.9	\$750.0	28.9%	NA	(\$16.9)	\$3.0	-663.3%
Recreational Equipment	\$1,434.6	\$1,342.0	6.9%	0.3%	\$14.5	\$41.4	-65.1%
West Marine, Inc.	\$631.3	\$679.6	-7.1%	-6.8%	(\$38.8)	(\$50.0)	22.4%
WinMark Corporation	\$35.4	\$31.2	13.5%	tba	\$1.1	\$3.0	-62.5%
High-Tech & Electronics							
Aaron Rents, Inc.	\$1,592.6	\$1,394.9	14.2%	3.1%	\$90.2	\$80.3	12.3%
Amazon.com, Inc.	\$19,166.0	\$14,835.0	29.2%	NA	\$645.0	\$476.0	35.5%
BMTC Group Inc.	\$856.2	\$841.5	1.7%	NA	\$69.9	\$49.0	42.7%
Conn's, Inc.	\$805.0	\$731.0	10.1%	2.0%	tba	\$39.7	tba
GameStop Corp.	\$8,800.0	\$7,094.0	24.0%	12.3%	tba	\$288.3	tba
IAC/InterActiveCorp	\$1,445.1	\$1,332.6	8.4%	NA	\$156.2	\$144.1	8.4%
Ingram Micro Inc.	\$34,362.2	\$35,047.1	-2.0%	NA	(\$394.9)	\$275.9	-243.1%
Office Depot, Inc.	\$14,495.5	\$15,527.5	-6.6%	tba	(\$1,479)	\$395.6	-473.9%
OfficeMax Incorporated	\$8,267.0	\$9,082.0	-9.0%	-10.8%	(\$1,658)	\$207.4	-899.4%
PC Connection, Inc.	\$1,753.7	\$1,785.4	-1.8%	NA	\$15.0	\$23.0	-34.8%
PC Mall, Inc.	\$1,328.0	\$1,215.4	9.3%	NA	\$9.6	\$12.4	-22.6%
RadioShack Corporation	\$4,224.5	\$4,251.7	-0.6%	-0.6%	\$192.4	\$236.8	-18.8%
Rent-A-Center, Inc.	\$2,884.2	\$2,906.1	-0.8%	2.3%	\$139.6	\$76.3	83.0%
Systemax Inc.	\$3,033.0	\$2,779.9	9.1%	NA	\$52.8	\$69.5	-24.0%
Tech Data Corporation	\$24,080.5	\$23,423.1	2.8%	NA	\$123.6	\$108.3	14.1%
Trans World Entertainment	\$987.6	\$1,265.7	-22.0%	-11.0%	(\$69.0)	(\$99.4)	30.6%
United Stationers Inc.	\$4,986.9	\$4,646.4	7.3%	NA	\$98.4	\$107.2	-8.2%
Mass Merchants							
Big Lots, Inc.	\$4,645.3	\$4,656.3	-0.2%	0.5%	\$151.5	\$158.5	-4.4%
BJ's Wholesale Club, Inc.	\$10,027.4	\$9,014.5	11.2%	6.4%	\$134.6	\$122.9	9.5%
Canadian Tire	\$9,121.3	\$8,606.1	6.0%	1.8%	\$374.2	\$411.7	-9.1%
Dollar General Corporation	\$10,457.7	\$9,495.2	10.1%	9.0%	tba	(\$12.8)	tba
Dollar Tree Inc.	\$4,644.9	\$4,240.0	9.5%	4.1%	\$229.5	\$201.3	-14.0%
Fred's, Inc.	\$1,800.0	\$1,780.0	1.1%	1.8%	tba	\$10.7	tba
Overstock.com	\$834.4	\$765.9	8.9%	NA	(\$12.7)	(\$48.0)	73.5%
Sears Canada Inc.	\$5,236.0	\$5,602.0	-6.5%	tba	\$367.0	\$400.0	-8.3%
Sears Holding Corp.	\$46,770.0	\$50,703.0	-7.8%	-8.0%	\$302.0	\$1,586.0	-81.0%
Target Corporation	\$64,948	\$63,367	2.5%	-2.9%	\$2,214	\$2,849	-22.3%
Wal-Mart Stores, Inc.	\$405,607	\$378,476	7.2%	3.0%	\$13,400	\$12,731	5.3%
Food							
Loblaw Companies Limited	\$30,802.0	\$29,384.0	4.8%	4.2%	\$545.0	\$330.0	65.2%
Publix Super Markets	\$23,900	\$23,194	3.0%	1.3%	\$1,100	\$1,183.9	-7.1%
Safeway, Inc.	\$44,104.0	\$42,286.0	4.3%	1.5%	\$965.3	\$888.4	8.7%
Village Supermarket, Inc.	\$603.7	\$556.4	8.5%	5.1%	\$14.3	\$10.7	33.6%
Weis Markets, Inc.	\$2,422.4	\$2,318.6	4.5%	4.3%	\$47.0	\$51.0	-7.8%

Numbers in italics are implied or company estimates.

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