

RETAIL SECTOR WEEKLY

Key Retail News and Commentary

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Remember...

If you don't go after what you want, you'll never have it. If you don't ask, the answer is always no. If you don't step forward, you're always in the same place.

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Call This A Cure For A Crisis?

Economic policy, especially macro, is made under iffy circumstances – it's done as if more things were known than actually are known. Or even can be known.

But the current situation is different. We know a lot. Most particularly, we know why and how we got into this mess.

We know Fed policy was too loose for too long. And we know consumers spent too much, driving the savings rate to zero, and they took on too much debt.

We also know housing prices were in a massive bubble. And we know Fan and Fred blew into the bubble by accepting a lot of questionable mortgages. And for sure we know that banks and other financial firms took on too much leverage with too little due diligence.

None of these facts are in dispute. So why, then, are policymakers trying to replicate these mistakes? Consider what is going on now.

Fed policy is so loose it has driven short-term rates to almost zero. Consumers, trying their best to deleverage and save, are being encouraged to spend (buy stocks!). Meanwhile, banks, whose capital cushions are almost invisible, are exhorted to make more loans.

Policymakers are behaving even more weirdly in the housing market where their aim is to stop home prices from falling. That is, to reflate, or at least stop the bubble from further deflation. How else to explain programs to underwrite continuing homeownership for deadbeats? Or the pouring
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Retailer of the Week: Birks & Mayors

Birks & Mayors saw operating earnings plummet for the third quarter and first nine months of fiscal 2009 as compared to fiscal 2008. Net income turned red due to an asset impairment charge and higher taxes with latter connected to the write off of a deferred tax asset. The Company did prop up liquidity by taking out additional loans over the past weeks. However, that will only cover liquidity for a fairly short period of time and of course will also burden Birks & Mayors with more secured debt. Unfortunately, we see no turnaround anytime soon and have serious doubts about longer term stability. Since Birks & Mayors has bought some time with proceeds from the new debt, we will adjust our credit rating from an "E-" to an "E", however, this still reflects a high degree of credit risk to vendors providing merchandise or services to the Company on open credit terms. If the fourth quarter of this fiscal year and the first quarter of next fiscal year go as we fear, another credit rating downgrade by Global Credit will probably occur.

BACKGROUND

Birks & Mayors is an operator of fine jewelry stores in Canada, the Birks and Brinkhaus chains, and in Florida and Georgia, the Mayors chain. As of December 27, 2008, Birks & Mayors operated 39 stores in Canada and 30 stores in the US. Birks & Mayors also maintains a small corporate sales division. The Company is reviewing leases that are up for renewal for a few locations and may shutter those sites if landlord concessions are not granted.

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Call This A Cure For A Crisis?

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of hundreds of billions into Fan and Fred – not just to keep them from folding outright but to expand their balance sheets and “reduce” foreclosures?

And then there's the government contribution to maintaining the over-leveraged, no-due-diligence problem at financial firms. Take a look at the Term Asset-Backed Loan Facility, or Talf. Here the government not only wants to encourage firms to take on lots of leverage but also subsidize the profits that flow from it.

The Talf will grant loans of up to 95% of face value to hedge and private equity funds against new purchases of trashy paper. Yes. In order to “provide liquidity” to securitization markets in auto, consumer, student and small business loans (soon to be expanded to mortgage-backed securities), the Federal Reserve is making a market so that banks can maintain their securitization business.

The big hooker here is that the loans are non-recourse. If Hank Hedgester doesn't repay the loan, then the Fed can only seize the trash, I mean collateral: it can't go after any other assets Hank Hedgester holds. Such an arrangement makes time-consuming due diligence just an unnecessary bother.

Worse, all these government programs are being motored out without any changes in the infrastructure. The financial system is still operating with the same old complicit rating agencies, incompetent regulators and inadequate corporate governance.

Ask any policymaker why they're repeating these mistakes and they will say: “Oh, we must stabilize the system we're in a recession and these measure are necessary to keep the economy afloat.” In other words, we need to go back in order to restore the economy in the future.

However, there are ways to go forward to the future.

Proponents of the business cycle (now called fluctuations) argue that recessions, or downdrafts, are caused by imbalances in the economy – in this case, too much debt, too many houses and too many risky securities. But the remedy, then, is to let the economy work off these imbalances, not reconstitute them. For example, is the cure for too much inventory even more inventory?

Or how about the theory that contractions in growth are caused by negative shocks? In this case, the popping of the housing bubble led to additional shocks, like the freezing of credit markets, the failure of some large financial firms and the stock market collapse.

And so the remedy should be a period in which government lays low and lets the markets work through these shocks. Instead, policymakers have been delivering one big, fat shock after another in the form of inconsistent and ham-handed interference. Take the banking sector. One day banks might be nationalized, the next day that option is off the table.

Today the plan seems to be a back-door nationalization, but without firing any of the miscreants. And tomorrow – who knows? – maybe the plan will be to create bad banks and good banks.

Options and Resources

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Bankruptcy Blotter

Three more debt issuers defaulted in the week from February 27th to March 5th, bringing the year's total global corporate defaulters to 35 issuers. Defaults have been steadily on the rise over the past year, and this year's total has already eclipsed the total number of defaults in all of 2007. Of the three defaults, one was based in the U.S. and the other two were based in emerging markets.

The trustee for **Joe's** has scheduled a meeting of creditors for Thursday, April 16, 2009 at 10:00 a.m. In other news, Joe's hired the **BMC Group** as claims agent. All docket information can be accessed through their website bmcgroup.com.

Gottschalks received court approval to push back its auction date two weeks to March 30th, which will allow the company more time to search for a buyer in order to keep its stores open.

In related news, **Gottschalks** has reached a proposed agreement for liquidators **SB Capital Group, Tiger Capital Group, Great American Group, and Hudson Capital Partners** to act as stalking horse bidders for its auction on March 30th. The liquidators have offered between \$80.8 million and \$87.2 million to run the GOB sales. The agreement is subject to court approval.

As **Friedman's Inc.** works to secure creditors' support for its debt payment plan, the company is suing dozens of its creditors to recover more than \$19 million in payments it made 90 days prior to its filing for bankruptcy protection. Any funds that the lawsuits recover would be placed into a trust to be distributed to the company's unsecured creditors.

The court approved the settlement which calls for **Goody's Family Clothing** to pay \$5 million towards outstanding obligations from its first bankruptcy filing. It also protects the company and its management from lawsuits revolving around the two bankruptcy filings in the past year.

Fortunoff's, which began GOB sales in late February, agreed to deliver prepaid orders of in-stock furniture. The decision was made at the urging of the New York Attorney General. However, partially paid orders and fully paid orders of furniture that is not in stock will not be filled.

After talking to potential buyers, **Bruno's Supermarkets LLC** says it needs to restructure agreements with union workers to move sales plans forward and avoid liquidation. The union, **United Food and Commercial Workers**, accused Bruno's of being controlled by out-of-touch financial advisers who have refused to provide the union with information about the buyers or "engage in constructive discussions."

Bell Canada has agreed to buy **InterTAN, Circuit City's** 750-store Canadian subsidiary, for an undisclosed sum. Canada's largest carrier said it will use the stores to sell its wireless, internet and HDTV services. The sale is expected to close in the third quarter pending court approval in the U.S. and Canada.

KB Toys is seeking court approval to set May 15th as the bar date for filing claims. The company concluded its GOB sales on February 8th.

Strasburg-Jarvis Inc., which operates 25 stores selling specialty clothing for children, sought bankruptcy protection Kansas City with hopes of emerging as a smaller but still intact retail chain. The company is looking to continue borrowing money from lender **Harrington Bank** so that it can maintain operations while it weeds out unprofitable stores.

Starbrite, which supplied **Ritz Camera Centers Inc.** with products for its **Boater's World Marine Centers** chain is accusing the company of trying to orchestrate a "fire sale liquidation" disguised as a going-concern sale, to the detriment of unsecured creditors. Ritz filed its request to conduct the sale on February 27th, with plans to place its assets on the auction block 18 days later. Starbrite claims the brisk pace precludes buyers interested in taking over the chain as a going concern from fully examining the assets and making an educated bid.

Fleetwood Enterprises Inc. filed for Chapter 11 bankruptcy protection last week, hurt by the global recession that has reduced demand for its products. The company plans to close its travel-trailer division, which accounted for \$16.8 million in losses last year. The company is currently looking for DIP financing.

Did You Know...?

The U.S. retail sector lost 39,500 jobs in February, marking the 13th straight month of job losses.

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Off the Rack

Pacific Sunwear's Q1 guidance isn't pretty. Comps are expected to be off in the low 20s range with the period generating an EPS loss in the \$0.26-.31 (\$17.1-20.4 mm) range. But management points out that the retailer would still generate a y-o-y cash increase even if the same store sales are off that much.

Stage Stores, Inc. reported FY 2008 results (see the scorecard) including a non-cash goodwill impairment charge of \$95.4 million. Excluding the charge, net income for the year would have been \$29.8 million, compared to \$53.1 million in 2007. Looking forward to the first quarter, SSI sees sales of \$337 to \$347 million and earnings of -\$2 to +\$1 million. For the full year, guidance is for sales of \$1,443 to \$1,487 million and net income of \$13 to \$25 million.

Neiman Marcus, Inc. sales fell 21.1% to \$1.079 billion in the second quarter ended January 31. Comp store sales were off 22.8%. Net loss was \$509.2 million including a \$560.1 million non-cash impairment charge, compared to net earnings of \$44.3 million last year. Excluding charges, income would have been \$32.6 million compared to income of \$134.3 million in Q2 2008.

Aeropostale, Inc. expects earnings in the range of \$0.22 to \$0.24 per diluted share for the first quarter of fiscal 2009, including charges of approximately \$3.0 million, or \$0.03 per diluted share related to the closing of the Jimmy/Z concept. Also, Aeropostale is launching a new kids store concept called P.S. from Aeropostale, which will offer casual clothing and accessories for kids ages 7 to 12. The first P.S. from Aeropostale store is planned to open in June 2009.

Charlotte Russe Holding, Inc. is for sale. CHIC's board instructed its financial advisor, Cowen and Co., to initiate a sale process after a review of strategic alternatives. The company says it has received interest from both financial and strategic buyers.

Jo Ann Stores expects same store sales to decline 2% to 4% in fiscal 2010. Earnings are projected to be \$0.70 to \$0.85 per share, and CapEx to be \$30 to \$32 million. In 2010, the company expects to remodel 30 stores.

Urban Outfitters noted that it plans to open 42 to 45 new stores during fiscal year 2010 after opening 49 stores in fiscal 2009 just ended.

J. Crew Group, Inc. will only provide quarter-to-quarter guidance, and currently expects Q1 2009 earnings of \$0.07 to \$0.12 per share, excluding severance and other one time items.

Bon-Ton Stores, Inc. took a deferred tax asset valuation allowance of \$108.5 million in the fourth quarter, which combined with \$25.9 million in asset impairment charges driving a profitable quarter to a \$87.7 million loss. Looking forward to 2009, BONT guides for a full-year comp store sales decrease of 6.5% to 9.0%, EBITDA of \$140 to \$155 million and a loss of \$3.40 to \$4.30 per share.

Men's Wearhouse issues guidance for the first half of fiscal 2009. Sales are expected to decrease 4% to 7%, with retail comps off 6% to 10%, and rental revenue comps off 7% to 9%. Net income for H1 is expected to be \$0.45 to \$0.65 per share, driven by the seasonally stronger second quarter. CapEx for the full year is targeted at \$50 to \$55 million.

Tween Brands will close 30 to 40 Justice stores this year, primarily in shopping centers where Limited Too stores have been converted to the Justice brand.

Also, **Tween Brands** faces possible delisting from the New York Stock Exchange for failing to maintain a marketing capitalization of at least \$75 million over a 30-day period.

American Eagle Outfitters, Inc. vows to pursue expense reductions across all areas of the company in 2009. AEO expects first quarter earnings to be in a range of \$0.04 to \$0.07 per share and full-year 2009 capital expenditures are projected to be \$110 to \$135 million.

Sears Holdings Corp. has acquired an Israeli social search-engine company called Delvar.com, according to the *Chicago Sun-Times*. The company has reportedly set up a technology development center there to enhance its online strategy.

Gordman's entered into a new \$65 million revolving credit facility on February 20.

Did You Know...?

The U.S. trade deficit narrowed by 9.7% in January to \$36.0 billion, the Commerce Department reported. This is the sixth straight month of declines, but the U.S. trade deficit with China widened slightly to \$20.57 billion.

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FYI for the DIY

Northern Tool & Equipment opened a 15,000 sq ft retail store prototype in Minnetonka, Minnesota near the company's headquarters. The new store features an open layout and product displays which group tools with accessories and instructional materials and also provides a workshop area that allows customers to try out hand tools.

Wolseley plans to divest subsidiary **Stock Building Supply** through either a sale to a third party or a shutdown of the business. The move is being made in order to conserve cash, reduce losses and strengthen Wolseley's overall financial position during the current economic downturn. A number of third parties have recently expressed an interest in the possibility of acquiring part or all of the Stock business. If a buyer can not be found, the Directors have committed to exit the business by August 1, 2009. Stock Building Supply recorded a loss of \$129 million for the six-month period that ended on January 31, 2009 on sales of \$1.33 billion.

The **AHMA Home Improvement Industry Confidence Index** was up in February to 62.5 from 45.8 in January. The Future Expectations Index was also up to 156.9 from 127.6.

Building Materials Holding Corporation reported preliminary financial results for the

fourth quarter and fiscal year 2008 (see the scorecard). During the year, BMHC implemented significant changes to its operations in response to the downturn, closing 42 and consolidation 15 underperforming business units, centralizing administrative functions, and a headcount reduction of 42% in operations and 12% in administration. Also, the company obtained a temporary waiver of certain conditions to borrowing under its credit agreement, which allows the company to borrow up to \$20 million, through April 15th, while it works to finalize a permanent amendment to the credit agreement.

Lumber Liquidators, Inc. expects 2009 sales of \$515 to \$530 million, with comp store sales for the full year decreasing low- to mid-single digits. LL anticipates earnings of \$0.76 to \$0.86 per diluted share in 2009. The Company plans to open 30 to 36 stores in 2009, of which eight have already opened.

Home Depot is the first place 31.5% (up from 30.0% in Feb '08) of consumers head for their home improvement needs, according to the February 09 Retail Ratings Report from BIGresearch. Lowe's was in second place with 25.8% (up from 23.7% in Feb '08) and Walmart was a distant third at 5.6%.

Hi Tech Entertainment

PC Connection, Inc. completed its goodwill impairment review and has recorded an additional pre-tax charge of \$7.6 million in its public sector segment. This adds to the previously announced \$1.2 million charge for goodwill impairment in its small- and medium-sized business segment. The review determined that the \$48.0 million of goodwill held by its large account segment was not impaired. PCC will report a Q4 loss \$2.7 million and net income for the year of \$10.4 million.

Staples, Inc.'s revenue stream (see the scorecard) was artificially inflated by the acquisition of Corporate Express, which contributed revenues of \$1.6 billion in the fourth quarter, and \$4.2 billion in the year. Excluding the addition, revenues would have fallen 14% in Q4 and 3% for the year. North American retail revenues were down 14% to \$2.4 billion for the fourth quarter, as comps for the segment dropped 13%. For the full year, North American retail revenues were down 5.3% to \$9.49 billion on -9% comps.

Office Depot has said that its North American comp store sales for the first quarter are performing "slightly better than" its results for the fourth quarter (fourth quarter comps fell 18%). It also said its forecast for the first quarter has the company losing \$30 to \$40 million before interest and taxes.

Privately held **CDW Corp.** said sales for 2008 were down 0.9% to \$8.071 billion, compared to \$8.145 billion in 2007.

United Stationers Inc. has entered into a \$150 million accounts receivables securitization program that matures November 23, 2013. The new facility replaces a \$250 million securitization program due to expire on March 20, 2009.

Borders Group Inc. has cut 742 manager and supervisor positions at Borders and Waldenbooks stores in an attempt to better match staffing to sales volume.

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The Global World of Sports and Footwear

Dick's Sporting Goods expects earnings of \$0.80 to \$1.00 per share, excluding merger and integration costs, for fiscal year 2009. Comp store sales are expected to decrease approximately 12% to 9% compared to a 4.8% decrease in 2008. Dick's expects to open approximately 19 new Dick's Sporting Goods stores and open one new Golf Galaxy.

Hibbett Sporting Goods outlook for its current FY is for a comp store sales increase in the low single digits and a diluted EPS range of \$1.03-1.17 (\$31.4 mm). On the expansion front, the FY09 plan is for 65-70 new doors and 15-20 closures with the openings H2 loaded. Meanwhile, management estimates that 25-30% of current leases are eligible for some sort of landlord renegotiation. The FY09 objective is to reduce current per store inventory levels of approximately \$200,000 at cost by another 3-4%.

Collective Brands was hit with a \$130.2 million impairment charge for the Stride Rite acquisition in Q4, pulling down results for the quarter and year (see the scorecard). Payless' results were hurt by a market situation in which inventory issues of mainstream brands brought their prices closer to Payless' usual prices while at the same time it was hit with higher product costs from China as a result of the cost pressures there. PSS said it expected to see those cost pressures moderating by H209. Payless store traffic fell high single digits in the quarter. In 2009, it expects to close net 100 Payless stores in the U.S. while opening 35 stores net overseas for Payless and 5 stores

for Stride Rite. CapEx is budgeted at \$85 million for 2009, down from \$129.2 million.

The Sportsman's Warehouse is negotiating with landlords over 23 terminated leases after announcing March 10 that it will shutter and liquidate 60% of its doors to further reduce bank debt. TSW stores, set for closure by the end of May, were scheduled to begin going-out-of-business sales immediately. Approximately \$60 million worth of inventory will be liquidated. If TSW survives its latest actions, it will emerge with 29 stores, the majority in the Rocky Mountain region, and approximately \$20 million in debt at April 30 versus the \$270 million it had 15 months ago.

L.L. Bean confirmed fiscal year revenues for the 12 months ended Jan. 31 declined 7.8% to \$1.5 billion. The company expects FY09 sales to erode further and warned that it will undergo a restructuring to right-size staffing levels. Bean did not provide any specifics about the number of layoffs, saying the final number will be determined after an April deadline for Bean employees to enroll in an incentivized early retirement program.

Zumiez is forecasting a net loss of \$0.13 to \$0.17 per share in the first quarter, on a mid teens same store sales decline. The retailer intends to open approximately 37 new doors in FY09.

Rogan Shoes sales rose 1.2% to \$48.4 million for the fiscal year ended October 31, 2008. Net income was up 22% to \$484,000.

Did You Know...?

Consumer sentiment was up slightly in the latest University of Michigan and Reuters survey. The consumer sentiment index rose to 56.6 in early March from 56.3 in February.

Heard in the Grocery Aisle

Casey's General Stores, Inc. sales fell 26.5% to \$848.8 million in the third quarter of fiscal 2009 ended January 31. Grocery same-store sales were up 6.5%. Net income improved 7.6% to \$14.0 million. Margins improved even as lower gas prices pulled the top line down.

Fresh & Easy said that more than 45,000 customers have joined the company's e-mail list, with 5,000 joining weekly. The program was launched less than 3 months ago.

Kroger Co. is forecasting same store sales to grow 3% to 4%, excluding fuel, for fiscal 2009. Full-year earnings are projected to be \$2.00 to \$2.05 per diluted share.

Sobeys parent **Empire Company Limited** revenues increased 8.5% to \$3.80 billion in its fiscal third quarter ended January 31. Sobeys same-store sales increased 7.6%. Net earnings were up 26.5% to \$61.5 million.

Aldi Inc. will hire 400 people to staff its new 500,000 sq ft DC opening in Denton, Texas, as well as the 25 planned stores in the region, reported *The Dallas Morning News*.

Bashas Supermarkets will open a new concept store in Phoenix, Arizona on March 31, according to the *Phoenix Business Journal*. The store is a renovation, and features community features like an Italian kitchen and gelato bar, and a Wi-Fi lounge.

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Management on the Move

Michael's Stores, Inc. named **John Menzer** CEO. Menzer comes from Wal-Mart where he was Vice Chairman and CAO, but before that, he was president of crafts and general merchandise chain Ben Franklin Retail Stores.

Wal-Mart Stores, Inc. appointed **Brian Cornell** President and CEO of Sam's Club, replacing Doug McMillon who is now President and CEO of Wal-Mart International. Cornell was most recently CEO of Michael's Stores, Inc.

Cabela's named **Thomas "Tommy" Millner** CEO and President. Millner was formerly CEO of Freedom Group (parent of Remington Arms). He'll also become a member of CAB's board.

CompUSA appointed **Enas Raynor** VP of Business Development. Raynor comes from a 13-year tenure at Circuit City, Inc.

Shoppers Drug Mart named **Mark Valesano** EVP Pharmacy. Valesano comes from Wegmans, where he was SVP of Pharmacy, Health, Wellness and Beauty.

GSI Commerce Inc. appointed **Ronald C. Williamson** SVP of Customer Care, a new position. Williamson was most recently with virtual call center company LiveOps, with experience at Victoria's Secret, dELiA's, Time Warner and Netflix prior.

Specialty Items

A.C. Moore Arts & Crafts, Inc. had fourth quarter and full-year results pulled down by charges of \$0.62 per share, including \$12.6 million for closed store expenses, asset impairment, adjusting an interest rate swap to fair market value and a tax valuation allowance.

Tiffany & Co. will shutter its unprofitable 16 store Iridesse jewelry chain as soon as TCO is

able to reach agreements with landlords and sell off inventory, the *Washington Post* reported.

Also, **Tiffany & Co.** will open a new store in Amsterdam, the Netherlands, in fall of 2009. The 2,100 sq ft store will be in the city's premier shopping area.

Rating Changes & Outlooks

Company	S&P Credit Rating		S&P Credit Outlook		GCS Credit Rating
	Current	Prior	Current	Prior	Current
AMERCO	BB	BB	NEGATIVE	STABLE	11
BON TON STORES INC	B-	B-	NEGATIVE	STABLE	E-
DILLARDS INC-HQ	B+	B+	NM	STABLE	D-
MACYS INC (FKA FEDERATED DPT STORES)	BBB-	BBB-	NM	NEGATIVE	D
JC PENNEY CO INC	BBB-	BBB-	NM	NEGATIVE	C-
SEARS HOLDING CO. F/K/A KMART HOLDING CORP	BB-	BB-	NM	NEGATIVE	D-
KOHL'S CORP	BBB+	BBB+	NEGATIVE	STABLE	B-
NORDSTROM INC	A-	A-	NM	NEGATIVE	C-
SAKS INC/ FKA PROFFITTS INC	B	B	NEGATIVE	STABLE	E
STEWART & STEVENSON HQ	B	B	STABLE	POSITIVE	NR
NEBRASKA BOOK COMPANY INC	B-	B-	NEGATIVE	NM	D-
NEIMAN MARCUS INC	B+	B+	NM	NEGATIVE	D
MANDALAY RESORT GROUP	NR	BB+	NR	NM	D+
REGIONS BANK	A+	A+	NEGATIVE	STABLE	NR
STARBUCKS CORP	BBB	BBB	STABLE	STABLE	C-
TEXTRON FINANCIAL	BBB	BBB	NM	DEVELOPING	NR

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Mass Merchant Musings

Walmart Stores Inc. has begun a search for multiple agencies to handle its consumer public-relations, *Ad Age* reported. The incumbent agency, Edelman, Chicago, is included.

Also, **Walmart** management says it is confident that Congress won't pass the pro-union "card check" legislation introduced this week. The company's stock had been downgraded by an analyst earlier based on the risk that WMT's workforce could be unionized.

99c Only Stores amended its bylaws to provide that the company will seek shareholder approval

prior to its adoption of a "poison pill" rights plan, unless the board decides that it's necessary to adopt a rights plan without delay, in which case it must be ratified by the shareholders within one year.

Costco has reportedly bought an office building in Issaquah, Washington for \$20.3 million, according to the *Seattle Times*. Costco has been leasing space in the 96,000-square-foot building since 2001.

Did You Know...?

The Labor Department reported that first-time requests for unemployment insurance rose to 654,000 from the previous week's upwardly revised figure of 645,000, above analysts' expectations.

Health & Beauty Aids

Rite Aid Corp. has delayed its anticipated reverse stock split following the NYSE's recent temporary suspension of its minimum share price listing rule. RAD was planning for either a 1-for-10, 1-for-15 or 1-for-20 reverse stock split. The suspension provides the company with additional time and flexibility to regain compliance with the rule. Rite Aid continues to be listed and trade as usual on the NYSE.

CVS Caremark has closed 90 MinuteClinics—about 16% of the total locations—for the Spring season in response to slowing demand.

Duane Reade projected that fiscal 2009 same store sales would be between 1.0% to 2.6%

(front-end up 0.0% to 2.0% and pharmacy up 2% to 3.5%). The company sees a loss of \$47.0 to \$52.0 million on retail sales of \$1.795 to \$1.830 billion in the coming year.

Wal-Mart has partnered with Dell and eClinicalWorks, and will offer an electronic medical records application for doctors through its Sam's Club division. \$17 billion of government stimulus is marked for encouraging the use of electronic records, and an individual doctor's office can receive up to \$44,000 towards implementation.

General Retail News

U.S. Trade Representative-designee Ron Kirk said the Obama Administration will need to review China's actions for consistency with its WTO obligations while also developing a "comprehensive and integrated policy to address the full range of China's trade policies that impact the U.S." responding to Congressional questions about China's exchange rate policies. Kirk, who is awaiting a full Senate vote on his nomination that will set the stage for his confirmation as the U.S. Trade Representative, did not repeat Pres. Obama's suggestion last year that China is "manipulating" its renminbi (yuan) currency.

U.S. Retail Sales inched 0.6% higher in February on a seasonally adjusted basis from Jan., according to National Retail Federation (NRF) data. The gain marked a second consecutive monthly increase after six straight months of declines. Nonetheless, the NRF continues to expect year-over-year declines throughout H1 with a slight turnaround at the end of 2009. Meanwhile, monthly **U.S. Commerce statistics** showed a y-o-y gain of 2.6% in adjusted Feb. retail and food service sales to \$380.2 billion.

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Retailer of the Week: Birks & Mayors

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The jewelry sector has been especially hard hit by the retail slowdown. In December 2008 and then in January and February 2009, Birks & Mayors had taken steps to shore up liquidity by entering into new loan agreements. Specifics are discussed in the balance sheet and liquidity section below.

OPERATING PERFORMANCE

Income Statement	3RD QTR FY 08	3RD QTR FY 09	YTD FY 08	YTD FY 09
Net Sales	\$122.6 mm	\$88.1 mm	\$250.5 mm	\$221.7 mm
Comp Store Sales	(6%)	(23%)	1%	(14%)
Store Count			72	69
Gross Margins	\$59.5 mm (48.4%)	\$37.5 mm (42.6%)	\$120 mm (47.8%)	\$97.8 mm (44.1%)
SG&A Expenses	\$39 mm (31.8%)	\$31.1 mm (35.2%)	\$101 mm (40.3%)	\$92.9 mm (41.9%)
Operating Income	\$20.4 mm (16.6%)	\$6.4 mm (7.2%)	\$19 mm (7.5%)	\$4.9 mm (2.2%)
Interest Expense	\$3.10 mm	\$2.23 mm	\$8.11 mm	\$7.42 mm
Goodwill Impairment	\$0	\$11.2 mm	\$0	\$11.2 mm
Net Income/Loss	\$12.7 mm	(\$42.7) mm	\$7.18 mm	(\$46.6) mm

The third quarter comp store sales decline came mostly at the hand of hard hit US stores. Canadian stores are still at just single digit drops. On the margin side, both dollars and the percentage declined due to the need to reduce prices to stimulate sales and as a result of higher raw material costs. While expenses fell in dollar amount due to lower sales volume and reduced corporate overhead, the sizable decrease in sales forced a deleveraging effect of certain costs. Accordingly, as a percentage of sales expenses soared 340 basis points in the (third) quarter to quarter and a lesser 160 basis points fiscal year to date.

Lower interest rates charged allowed for less interest expense. However, the new and more expensive debt coming on will certainly change that benefit. The asset write down was based upon the falling value of store assets, primarily leasehold improvements. Also and as stated above, the write off of a deferred tax asset caused sizable losses in the third quarter and first nine months of fiscal 2009.

Balance Sheet/Liquidity	12/29/2007	12/27/2008
Cash	\$3.73 mm	\$6.33 mm
Receivables	\$13.6 mm	\$14.7 mm
Inventory/Inventory Days Turnover	\$194.2 mm/436 days	\$167.3 mm/373 days
Adjusted Current Assets (cash, inventory, receivables)	\$211.5 mm	\$188.3 mm
Tangible Assets	\$263.6 mm	\$231 mm
Account Payable/Payable Days Turnover	\$54.7 mm/123 days	\$40 mm/89 days
Revolver Debt	\$102.3 mm	\$91.3 mm
Term Loan Debt	\$6.28 mm	\$18.8 mm
Total Liabilities	\$204.1 mm	\$181.2 mm
Adjusted Current Ratio	1.1:1	1.1:1
Tangible Leverage	77%	96%

By discounting merchandise, Birks & Mayors was able to reduce inventories and generate cash flow. The greater cash flow enabled the Company to reduce revolver debt and payables in addition to paying back the trade quicker. However, the lower margin performance took a bit out of earnings.

With liquidity sagging, in December 2008 Birks & Mayors entered into a \$13 million second lien term loan with its lenders. This loan will mature in 2011 with no payments due until then. However,

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Retailer of the Week: Birks & Mayors

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this loan and an amendment under the Company's \$135 million senior revolving credit facility call for a very high interest rate.

Subsequently in January 2009, Birks & Mayors entered into a \$2.9 million term loan for merchandise in support of the Company's association with the 2010 Winter Olympics. This loan will be payable over the next 60 months. In February 2009, Birks & Mayors arranged for a third lien term loan of \$10 million. Priced at an unfavorable interest rate of PRIME plus 5.5%, the loan calls for payments over 60 months. Finally, a shareholder agreed to advance \$2 million, however, we do not know whether this was in the form of an equity infusion or more subordinated debt. As we noted above, all of this new expensive debt will place a greater interest burden on Birks & Mayors thereby depressing earnings, or the lack thereof, performance.

While the latest \$10 million term loan and shareholder advance will prop up needing financing for liquidity requirements, if operations do not soon show a noticeable turnaround that cash will soon be gone and Birks & Mayors will be left with a very leveraged balance sheet. Even before this latest debt, the Company was extremely leveraged. For unsecured creditors this would translate into probably no recovery in the event of a liquidation.

OUTLOOK

Unfortunately, at this point in time we anticipate a sizable loss for the fourth quarter and likely for the first half of next fiscal year. The question is how deep will the potential losses be, particularly for the upcoming first half. If red ink runs rapidly, the cash from the debt offerings may not be enough to see Birks & Mayors through to better times. And with now three liens on assets, we do not believe that additional financing could be obtained.

When we look at other jewelers such as Finlay Enterprises and more moderately priced Zale Corporation our hopes are dashed. Even successful Tiffany's is experiencing double digit comp store sales declines in its North America division.

We also expect to see Birks & Mayors announce store closings in the upcoming months. For clients, we recommend that they continue to closely monitor their exposures. Clients are also advised that full fiscal year results for the period ending on or around March 31 will likely not be announced until late June.

Did You Know...?

Residential building permits slid 17.5% throughout Canada in January, as the housing woes are now encompassing North America.

Upcoming Reporting Dates

Company	Event	Date
Barnes & Noble	Financial Results	Mar 19, 2009
Cato	Financial Results	Mar 19, 2009
Charming Shoppes	Financial Results	Mar 18, 2009
Children's Place Retail Stores	Financial Results	Mar 19, 2009
Cost Plus	Financial Results	Mar 19, 2009
dELIA*s	Financial Results	Mar 25, 2009
Family Dollar Stores	Financial Results	Apr 8, 2009
Fred's	Financial Results	Mar 26, 2009
GameStop	Financial Results	Mar 26, 2009
Kirkland's	Financial Results	Mar 20, 2009
lululemon athletica	Financial Results	Mar 26, 2009
New York & Company	Financial Results	Mar 19, 2009
Rite Aid	Financial Results	Apr 2, 2009
Ross Stores	Financial Results	Mar 19, 2009
Shoe Carnival	Financial Results	Mar 19, 2009
Talbots	Financial Results	Mar 24, 2009
Ulta Salon, Cosmetics & Fragrance	Financial Results	Mar 19, 2009
Walgreens	Financial Results	Mar 23, 2009
Wet Seal	Financial Results	Mar 26, 2009

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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.	\$690.0	\$591.3	16.7%	6.0%	\$68.2	\$64.7	5.4%
American Eagle Outfitters	\$905.7	\$995.4	-9.0%	-16.0%	\$32.7	\$140.5	-76.7%
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%	(\$87.7)	\$75.2	-216.6%
Buckle, Inc.	\$251.4	\$207.0	21.4%	14.3%	\$34.3	\$29.1	17.9%
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%
Gordman's	\$139.9	\$147.9	-5.4%	-7.1%	\$5.6	\$6.0	-6.7%
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%	\$14.2	\$11.9	19.3%
J. Crew Group, Inc.	\$388.0	\$400.0	-3.0%	-13.0%	(\$13.5)	\$25.0	-154.0%
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%	\$20.4	\$27.5	-25.8%
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%
Men's Wearhouse	\$476.4	\$535.0	-11.0%	-9.9%	\$1.5	\$14.8	-89.9%
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%	(\$27.1)	\$5.2	-618.2%
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%	\$25.3	\$31.7	-20.1%
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%
Duane Reade Holdings	\$464.5	\$431.6	7.6%	2.4%	(\$17.4)	(\$15.1)	-15.2%
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							
Ace Hardware	\$956.1	\$957.9	-0.2%	NA	\$15.3	\$21.0	-27.1%
Builders FirstSource, Inc.	\$201.3	\$290.2	-30.6%	NA	(\$58.9)	(\$20.4)	188.7%
Building Materials Holding Cor	\$233.0	\$403.0	-42.2%	NA	(\$104.0)	(\$331.0)	68.6%
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%
Greybar Electric	\$1,247.1	\$1,330.6	-6.3%	NA	\$20.5	\$17.2	19.2%
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%
Lumber Liquidators	\$116.5	\$105.5	10.4%	-4.6%	\$6.5	\$3.0	113.2%
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							
A.C. Moore Arts & Crafts	\$165.0	\$177.3	-6.9%	-8.7%	(\$10.7)	\$7.4	-244.6%
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 11)

\$ 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%
Michaels Stores, Inc.	\$1,268.0	\$1,301.0	-2.5%	-5.6%	\$74.0	\$53.0	39.6%
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%
Collective Brands (Payless)	\$732.2	\$776.8	-5.7%	-6.6%	(\$144.0)	(\$46.6)	-209.0%
Dick's Sporting Goods, Inc.	\$1,207.5	\$1,212.6	-0.4%	-8.6%	(\$104.4)	\$73.2	-242.6%
Foot Locker	\$1,317.0	\$1,482.0	-11.1%	-7.3%	(\$126.0)	\$72.0	-275.0%
Footstar, Inc.	\$229.9	\$181.7	26.5%	tba	\$24.7	\$25.6	-3.5%
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%
Hibbett Sporting Goods, Inc.	\$147.9	\$142.8	3.6%	-2.8%	\$7.6	\$7.6	0.4%
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%
Zumiez Inc.	\$125.5	\$126.6	-0.9%	-13.4%	\$6.3	\$12.4	-49.2%
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	(\$2.7)	\$6.2	-143.5%
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%
Staples, Inc.	\$6,173.6	\$5,324.4	15.9%	-13.0%	\$286.0	\$333.2	-14.2%
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							
Kroger Co.	\$17,259.5	\$17,234.6	0.1%	3.8%	\$349.2	\$322.9	8.1%
Loblaw Companies Limited	\$7,745.0	\$6,967.0	11.2%	10.6%	\$188.0	\$40.0	370.0%
Nash Finch Company	\$1,202.9	\$1,069.3	12.5%	5.3%	\$6.2	\$8.5	-27.1%
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.	\$1,885.5	\$1,590.9	18.5%	8.0%	\$149.4	\$129.2	15.6%
American Eagle Outfitters	\$2,989.0	\$3,055.0	-2.2%	-10.0%	\$179.1	\$400.0	-55.2%
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%	(\$169.9)	\$11.6	-1570%
Buckle, Inc.	\$792.0	\$619.9	27.8%	20.6%	\$104.4	\$75.2	38.8%
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	(\$70.6)	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%
Gordman's	\$438.1	\$442.5	-1.0%	-4.5%	\$2.2	\$2.1	4.8%
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.	\$761.1	\$728.1	4.5%	1.0%	\$19.7	\$16.0	23.1%
J. Crew Group, Inc.	\$1,428.0	\$1,334.7	7.0%	-4.0%	\$54.1	\$97.1	-44.3%
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.	\$1,901.1	\$1,878.8	1.2%	0.5%	\$21.9	\$15.4	42.2%
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%
Men's Wearhouse	\$1,972.4	\$2,112.6	-6.6%	-9.6%	\$58.8	\$147.0	-60.0%
Nordstrom, Inc.	\$8,272.0	\$8,828.0	-6.3%	-9.0%	\$401.0	\$715.0	-43.9%
Pacific Sunwear	\$1,254.9	\$1,306.0	-3.9%	-5.0%	(\$63.8)	(\$30.4)	-110.1%
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%	(\$65.5)	\$53.1	-223.4%
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%
Duane Reade Holdings	\$1,774.0	\$1,686.8	5.2%	4.2%	(\$72.8)	(\$87.8)	17.1%
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							
Ace Hardware	\$3,864.2	\$3,970.6	-2.7%	-3.6%	\$85.8	\$86.9	-1.3%
Builders FirstSource, Inc.	\$1,034.5	\$1,530.5	-32.4%	NA	(\$139.5)	(\$23.8)	486.1%
Building Materials Holding Cor	\$1,300.0	\$2,200.0	-40.9%	NA	(\$215.0)	(\$313.0)	31.3%
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%
Greybar Electric	\$5,400.2	\$5,258.3	2.7%	NA	\$87.4	\$83.4	4.8%
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%
Lumber Liquidators	\$482.2	\$405.3	19.0%	1.6%	\$22.1	\$11.3	95.6%
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							
A.C. Moore Arts & Crafts	\$534.7	\$559.7	-4.5%	-8.7%	(\$26.8)	\$5.7	-570.2%
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

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\$ 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%
Michaels Stores, Inc.	\$3,817.0	\$3,862.0	-1.2%	-4.6%	\$4.0	(\$32.0)	112.5%
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%
Collective Brands (Payless)	\$3,442.0	\$3,035.4	13.4%	-3.6%	(\$68.7)	\$42.7	-260.9%
Dick's Sporting Goods, Inc.	\$4,130.1	\$3,888.4	6.2%	-4.8%	(\$35.1)	\$155.0	-122.6%
Foot Locker	\$5,237.0	\$5,437.0	-3.7%	-3.2%	(\$81.0)	\$38.0	-313.2%
Footstar, Inc.	\$634.2	\$637.0	-0.4%	tba	\$53.7	\$52.0	3.3%
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%
Hibbett Sporting Goods, Inc.	\$564.2	\$520.7	8.4%	0.5%	\$29.4	\$30.3	-3.0%
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%
Zumiez Inc.	\$408.7	\$381.4	7.2%	-6.5%	\$17.2	\$25.3	-32.0%
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	\$10.4	\$23.0	-54.8%
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%
Staples, Inc.	\$23,083.8	\$19,372.7	19.2%	-9.0%	\$805.3	\$995.7	-19.1%
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							
Kroger Co.	\$75,999.7	\$70,234.7	8.2%	5.0%	\$1,249.4	\$1,180.5	5.8%
Loblaw Companies Limited	\$30,802.0	\$29,384.0	4.8%	4.2%	\$545.0	\$330.0	65.2%
Nash Finch Company	\$4,703.7	\$4,532.6	3.8%	NA	\$36.2	\$38.8	-6.7%
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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