

# October sales a mixed bag for apparel retailers

U.S. apparel retailers reported October sales that rebounded from the lows of a year ago, but many failed to surpass Wall Street's boosted expectations as consumers continue to spend selectively as the holiday season approaches.

Among the winners were Gap, whose same-store sales in October

rose 4%, helped by strong results at its Old Navy chain. By division, sales fell 6% at Gap stores, rose 5% at Banana Republic and jumped 14% at Old Navy.

Urban Outfitters also exceeded analysts estimates as its same-store sales rose 2%. Aeropostale, one of the industry's strongest performers

during the downturn, said its October same-store sales increased 3%.

Meanwhile, teen retailers Abercrombie & Fitch Co. and American Eagle Outfitters, both of which have struggled throughout the downturn, continued to post disappointing sales as the boost from back-to-school shopping faded.

## CHAIN PERFORMANCE

| Company                        | October 2009 total sales (000) | % change vs. October 2008 | October 2009 % change comp stores | October 2008 % change comp stores |
|--------------------------------|--------------------------------|---------------------------|-----------------------------------|-----------------------------------|
| Abercrombie & Fitch Co.        | \$203,400                      | -5.4%                     | -15.0%                            | -20.0%                            |
| Aeropostale                    | 138,800                        | 8.9%                      | 3.0%                              | 1.0%                              |
| American Eagle Outfitters      | 195,100                        | -4.7%                     | -5.0%                             | -12.0%                            |
| BJ's Wholesale Club            | 764,731                        | 3.5%                      | -1.1%                             | 10.2%                             |
| Bon-Ton Stores                 | 224,000                        | 2.6%                      | 3.1%                              | -11.1%                            |
| Buckle                         | 66,600                         | 10.4%                     | 4.3%                              | 14.5%                             |
| Cato Corp.                     | 61,900                         | 4.0%                      | 0.0%                              | 4.0%                              |
| Children's Place Retail Stores | 149,800                        | 3.4%                      | -2.0%                             | 10.0%                             |
| Costco Wholesale Corp.         | 5,680,000                      | 7.2%                      | 5.0%                              | -1.0%                             |
| Destination Maternity Corp.    | 44,300                         | -1.8%                     | -5.2%                             | 6.0%                              |
| Dillard's                      | 361,685                        | -10.9%                    | -8.0%                             | -8.0%                             |
| Duckwall-ALCO Stores           | 35,000                         | -0.8%                     | -0.9%                             | -2.7%                             |
| Fred's                         | 128,100                        | -0.2%                     | 0.4%                              | 1.3%                              |
| Gap                            | 1,140,000                      | 5.6%                      | 4.0%                              | -16.0%                            |
| Hot Topic                      | 63,600                         | -1.9%                     | -2.6%                             | 8.3%                              |
| J.C. Penney Co.                | 1,313,000                      | -3.5%                     | -4.5%                             | -13.0%                            |
| Kohl's Corp.                   | 1,273,000                      | 4.9%                      | 1.4%                              | -9.0%                             |
| Limited Brands                 | 561,100                        | -3.3%                     | -4.0%                             | -9.0%                             |
| Macy's                         | 1,692,000                      | -1.3%                     | -0.8%                             | -6.3%                             |
| Neiman Marcus                  | 274,000                        | -4.2%                     | -6.0%                             | -26.8%                            |
| Nordstrom                      | 607,000                        | 14.7%                     | 6.5%                              | -15.7%                            |
| Rite Aid Corp.                 | 1,962,000                      | -1.8%                     | -0.5%                             | 2.9%                              |
| Ross Stores                    | 557,000                        | 13.7%                     | 9.0%                              | -2.0%                             |
| Saks                           | 219,800                        | 1.8%                      | 0.7%                              | -16.6%                            |
| Stage Stores                   | 101,000                        | 2.0%                      | -0.1%                             | -8.4%                             |
| Stein Mart                     | 92,200                         | -7.8%                     | -4.9%                             | -12.5%                            |
| Tandy Leather Factory          | 4,900                          | 8.9%                      | 20.0%                             | -4.0%                             |
| Target Corp.                   | 4,541,000                      | 2.9%                      | -0.1%                             | -4.8%                             |
| TJX Cos.                       | 1,700,000                      | 13.3%                     | 10.0%                             | -6.0%                             |
| Walgreen Co.                   | 5,650,600                      | 9.4%                      | 4.9%                              | 2.0%                              |
| Wet Seal                       | 41,000                         | 1.7%                      | -1.3%                             | -6.2%                             |
| Zumiez                         | 24,700                         | -1.2%                     | -8.9%                             | -13.1%                            |

Source: Credit Risk Monitor and company reports