

Wal-Mart Cuts Outlook Amid December Retail Gloom

Sales at U.S. retail chains declined in December nearly across the board. Even top-performing Wal-Mart Stores Inc. posted a smaller gain than what Wall Street expected and cut its fourth-quarter-earnings outlook.

Wal-Mart, blaming the weak economy and severe winter conditions, said its same-store sales rose 1.2%.

Excluding the impact of declining gasoline prices at the pump, the gain was 1.7%.

Wal-Mart noted that health-and-wellness items were the categories that primarily fueled sales. Electronics sales were solid, while the apparel and jewelry business was weak.

Target Corp. said its same-store

sales fell 4.1% in December, but the result was better than the 9.1% drop Wall Street analysts predicted. The retailer said the results reflected stronger sales in the last two weeks of the month.

Many other retailers reported steep declines, as well, including Saks, Sears and Williams-Sonoma.

CHAIN PERFORMANCE				
Company	December 2008 total sales (000)	% change vs. December 2007	December 2008 % change comp stores	November 2007 % change comp stores
Abercrombie & Fitch Co.	\$539,200	-17.9%	-24.0%	-2.0%
Aeropostale	392,700	25.3%	12.0%	12.2%
American Eagle Outfitters	493,500	-9.6%	-17.0%	-2.0%
Bakers Footwear Group	27,400	1.1%	3.4%	-7.4%
BJ's Wholesale Club	1,062,030	3.2%	1.6%	3.0%
Bon-Ton Stores	527,200	-5.6%	-5.8%	-11.3%
Buckle	131,200	20.9%	13.5%	18.7%
Cache	29,100	-21.6%	-19.0%	-10.0%
Cato Corp.	96,100	1.6%	-2.0%	-8.0%
Chico's FAS	163,400	-10.0%	-12.4%	-13.7%
Children's Place Retail Stores	204,600	2.4%	0.0%	6.0%
Costco Wholesale Corp.	7,400,000	-2.0%	-4.0%	7.0%
Destination Maternity Corp.	45,600	-9.3%	-6.9%	-7.6%
Dillard's	1,095,367	-6.2%	-5.0%	-5.0%
Duckwall-ALCO Stores	67,200	-2.0%	-7.5%	-0.5%
Fred's	201,600	-3.9%	0.0%	-1.8%
Gap	1,930,000	-12.3%	-14.0%	-6.0%
Gottschalks	99,800	-11.5%	-9.6%	-13.8%
Hot Topic	131,900	7.1%	4.3%	-6.2%
J.C. Penney Co.	2,961,000	-6.8%	-8.1%	-7.3%
Kohl's Corp.	2,769,600	3.6%	-1.4%	-11.4%
Limited Brands	1,644,000	-5.7%	-10.0%	-8.0%
Macy's	4,397,000	-4.7%	-4.0%	-7.9%
Neiman Marcus	532,000	-26.4%	-27.5%	2.9%
Nordstrom	1,130,000	-7.4%	-10.6%	-4.0%
Pacific Sunwear of California	196,000	-16.5%	-10.0%	-2.8%
PriceSmart	140,800	14.8%	13.8%	19.8%
Rite Aid Corp.	2,155,000	-2.1%	-0.2%	-0.5%
Ross Stores	802,000	6.2%	0.0%	3.0%
Saks	363,300	-18.9%	-19.8%	0.8%
Stage Stores	257,000	-1.3%	-4.9%	-7.1%
Stein Mart	178,000	-9.3%	-8.5%	-5.7%
Tandy Leather Factory	4,800	-2.0%	9.0%	-12.0%
Target Corp.	9,280,000	0.2%	-4.1%	-5.0%
TJX Cos.	2,370,000	-2.5%	0.0%	1.0%
Walgreen Co.	6,107,300	10.8%	4.9%	2.6%
Wal-Mart Stores	46,509,000	-0.1%	1.2%	2.7%
Wet Seal	77,200	-10.2%	-12.5%	0.6%
Zumiez	72,000	0.0%	-12.3%	3.9%

Source: Credit Risk Monitor and company reports