

Value City Department Stores Reports Fourth Quarter Operating Results

Columbus, Oh, March 26, 2002 /PRNewswire/ -- Value City Department Stores, Inc. (NYSE: VCD) today announced its consolidated financial results for the fourth quarter ended February 2, 2002.

For the Thirteen Weeks Ended February 2, 2002, Compared to the Fourteen Weeks Ended February 3, 2001:

- Sales for the thirteen-week period ended February 2, 2002 were \$632.9 million compared to \$662.9 million for the fourteen-week period ended February 3, 2001. Excluding sales from the extra week in the fiscal 2000 period, total sales increased 1.8% compared to the corresponding thirteen-week period last year.
- Comparable store sales decreased 0.9% compared to the same thirteen-week period last year.
- Net loss for the thirteen-week period was \$8.7 million, or \$0.26 per share on a diluted basis, compared to a net loss of \$22.9 million, or \$0.67 per share on a diluted basis for the fourteen-week period last year. The thirteen-week period ended February 2, 2002 includes \$14.6 million for severance costs, write off of software development costs, DSW warehouse relocation and fees associated with the terminated sale of certain assets. The fourteen-week period ended February 3, 2001 included pretax charges of \$19.6 million for inventory realignment, asset impairment and severance costs.

For the Fifty-Two Weeks Ended February 2, 2002, Compared to the Fifty-Three Weeks Ended February 3, 2001:

- Sales for the fifty-two week period ended February 2, 2002 were \$2.284 billion compared to \$2.213 billion for the fifty-three week period ended February 3, 2001. Excluding sales from the extra week in the fiscal 2000 period, total sales increased 5.2% compared to the corresponding fifty-two week period last year.
- Comparable store sales decreased 2.4% compared to the same fifty-two week period last year.
- Net loss for the fifty-two week period was \$28.7 million, or \$0.85 per share on a diluted basis, compared to a net loss of \$101.8 million, or \$3.03 per share on a diluted basis for the fifty-three week period last year. The fifty-two week period ended February 2, 2002 includes approximately \$24.7 million for employee benefit costs, severance, write off of software development costs, DSW warehouse relocation and fees associated with the terminated sale of certain assets. The fifty-three week period ended February 3, 2001 included pretax charges of \$110.0 million for inventory realignment, asset impairment and severance costs.

Value City Department Stores, Inc. is a leading off-price retailer operating 117 full-line department stores in the Midwest, mid-Atlantic and southeastern U.S., 21 Filene's Basement Stores and 108 better-branded DSW Shoe Warehouse Stores in major metropolitan areas throughout the country.

SOURCE: Value City Department Stores, Inc.
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VALUE CITY DEPARTMENT STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	February 2, <u>2002</u>	February 3, <u>2001</u>
ASSETS		
Cash and equivalents	\$ 35,915	\$ 10,562
Accounts receivable, net	6,650	44,927
Receivables from affiliates	905	9,452
Inventories	396,830	393,577
Prepaid expenses and other assets	15,741	22,290
Deferred income taxes	63,102	51,732
Total current assets	519,143	532,540
Property and equipment, net	244,644	249,039
Investment in joint venture	-	8,292
Goodwill and tradenames	60,012	67,056
Other assets	56,512	51,082
Total assets	\$880,311	\$908,009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$149,864	\$180,736
Accounts payable to affiliates	8,909	13,655
Accrued expenses	130,930	126,144
Current maturities of long-term obligations	665	603
Total current liabilities	290,368	321,138
Long-term obligations, net of current maturities	337,199	326,449
Deferred income taxes and other noncurrent liabilities	32,315	10,115
Shareholders' equity	220,429	250,307
Total Liabilities and Stockholders' Equity	\$880,311	\$908,009

VALUE CITY DEPARTMENT STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except share amounts)

	13 Weeks Ended February 2, <u>2002</u> (Unaudited)	14 Weeks Ended February 3, <u>2001</u> (Unaudited)	52 Weeks Ended February 2, <u>2002</u>	53 Weeks Ended February 3, <u>2001</u>
Net sales, excluding sales of licensed departments	\$632,884	\$662,898	\$2,283,878	\$2,213,017
Cost of sales	409,414	433,694	1,429,455	1,492,947
Gross profit	223,470	229,204	854,423	720,070
Selling, general and administrative expenses	239,753	263,407	888,734	870,253
License fees from affiliates	5,385	5,074	12,228	11,323
Other operating income	1,492	1,212	5,739	3,259
Operating loss	(9,406)	(27,917)	(16,344)	(135,601)
Interest expense, net	4,610	9,290	28,510	30,480
Loss before equity in loss of joint venture and benefit for income taxes	(14,016)	(37,207)	(44,854)	(166,081)
Equity in gain (loss) of joint venture	2,047	(627)	(406)	(1,340)
Loss before benefit for income taxes	(11,969)	(37,834)	(45,260)	(167,421)
Benefit provision for income taxes	3,294	14,935	16,537	65,630
Net loss	\$ (8,675)	\$ (22,899)	\$ (28,723)	\$ (101,791)
Basic and diluted loss per share	\$ (0.26)	\$ (0.67)	\$ (0.85)	\$ (3.03)
Weighted average shares:				
Common and diluted	33.8	33.9	33.6	33.6
Same store sales:				
Value City Department Stores	(1.2)%	(8.8)%	(3.7)%	(4.3)%
DSW Shoe Warehouse	(3.0)	10.8	0.0	19.1
Filene's Basement	3.2	n/a	2.2	n/a
Total	(0.9)%	(6.4)%	(2.4)%	(1.1)%
Store count at end of period:				
Value City Department Stores			117	119
DSW Shoe Warehouse			104	78
Filene's Basement			20	19
Total			241	216

SOURCE: Value City Department Stores, Inc.