

Value City Department Stores Reports First Quarter Operating Results

Columbus, Ohio, June 9, 2003 /PRNewswire/ -- Value City Department Stores, Inc. (NYSE: VCD) today announced its consolidated financial results for the first quarter ended May 3, 2003.

- Net sales for the first quarter ended May 3, 2003 increased 0.4% to \$588.5 million from \$585.9 million for the quarter ended May 4, 2002.
- Comparable store sales for the quarter decreased 4.4% when compared to the same period last year.
- The net loss for the quarter was \$13.2 million, or \$0.39 per share on a diluted basis, compared to a net loss of \$4.8 million, or \$0.14 per share on a diluted basis last year. The prior year loss includes a \$2.1 million dollar charge for the cumulative effect of accounting change, net of taxes, for goodwill impairment.

At 8:00 a.m. EDT, on June 10, 2003, the Company's management team will host a conference call to review the financial results. The conference call will be simultaneously broadcast over the Internet at www.valuecity.com. A replay will be available from 6:00 p.m. EDT June 10, 2003 through July 10, 2003. To listen to the replay, dial 1-800-839-0860 and reference confirmation code number 1427.

Value City Department Stores, Inc. is a leading off-price retailer operating 116 full-line department stores in the Midwest, mid-Atlantic and southeastern U.S., 130 better-branded DSW Shoe Warehouse Stores in major metropolitan areas throughout the country and 21 Filene's Basement Stores.

SOURCE: Value City Department Stores, Inc.

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VALUE CITY DEPARTMENT STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	May 3, <u>2003</u> (Unaudited)	February 1, <u>2003</u>	May 4, <u>2002</u> (Unaudited)
ASSETS			
Cash and equivalents	\$ 28,824	\$ 11,059	\$ 22,838
Accounts receivable, net	22,726	10,666	13,095
Receivables from affiliates	2,677	933	1,476
Inventories	452,892	389,825	417,392
Prepaid expenses and other assets	19,342	19,354	15,037
Deferred income taxes	39,761	51,317	60,918
Total current assets	566,222	483,154	530,756
Property and equipment, net	232,497	233,452	238,942
Goodwill	37,619	37,619	37,619
Tradenames and other intangibles, net	46,592	47,583	50,620
Other assets	26,985	29,991	25,068
Total Assets	\$ 909,915	\$ 831,799	\$ 883,005
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable	\$ 209,205	\$ 160,809	\$ 180,103
Accounts payable to affiliates	4,053	4,228	5,414
Accrued expenses	109,626	135,918	130,770
Current maturities of long-term obligations	799	809	709
Total current liabilities	323,683	301,764	316,996
Long-term obligations, net of current maturities	329,970	264,664	316,023
Other noncurrent liabilities	47,555	44,207	33,863
Shareholders' equity	208,707	221,164	216,123
Total Liabilities and Shareholders' Equity	\$ 909,915	\$ 831,799	\$ 883,005

VALUE CITY DEPARTMENT STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	May 3, 2003	May 4, 2002
Net sales, excluding sales of licensed departments	\$ 588,532	\$ 585,912
Cost of sales	371,812	362,725
Gross profit	216,720	223,187
Selling, general and administrative expenses	231,041	223,270
License fees and other operating income	1,501	2,162
Operating (loss) profit	(12,820)	2,079
Interest expense, net	9,583	6,338
Loss before benefit for income taxes and cumulative effect of accounting change	(22,403)	(4,259)
Benefit for income taxes	9,230	1,564
Loss before cumulative effect of accounting change	(13,173)	(2,695)
Cumulative effect of accounting change, net of income taxes	--	(2,080)
Net loss	\$ (13,173)	\$ (4,775)
Basic and diluted weighted average shares outstanding	33,712	33,627
Basic and diluted earnings (loss) per share: Loss before cumulative effect of accounting change	\$ (0.39)	\$ (0.08)
Cumulative effect of accounting change, net of income taxes	--	(0.06)
Net loss	\$ (0.39)	\$ (0.14)
Same store sales:		
Value City Department Stores	(4.0)%	(1.3)%
DSW Shoe Warehouse	(3.6)	1.4
Filene's Basement	(8.1)	4.9
Total	(4.4)%	(0.0)%
Store count at end of period:		
Value City Department Stores	116	117
DSW Shoe Warehouse	129	110
Filene's Basement	20	21
Total	265	248

SOURCE: Value City Department Stores, Inc.