

Value City Department Stores Reports Fourth Quarter and Year End Operating Results

Columbus, Ohio, April 7, 2003 /PRNewswire/ -- Value City Department Stores, Inc. (NYSE: VCD) today announced its consolidated financial results for the fourth quarter and year ended February 1, 2003.

Quarter Ended February 1, 2003, compared to the previous year's Quarter Ended February 2, 2002:

- Sales for the thirteen-week period ended February 1, 2003 were \$678.8 million compared to \$632.9 million for the period ended February 2, 2002. Total sales increased 7.2% compared to the corresponding period last year. Total sales for the quarter ended February 1, 2003 include \$57.8 million attributable to operations of VCM Ltd. acquired effective February 2, 2002. The company's same store sales decreased 4.8% for the thirteen week period.
- Net profit for the quarter was \$5.3 million, or \$0.12 per share on a diluted basis, compared to a net loss of \$8.7 million, or \$0.26 per share on a diluted basis for the same period last year.

Fiscal Year Ended February 1, 2003, compared to the Fiscal Year Ended February 2, 2002:

- Sales for the fiscal year ended February 1, 2003 were \$2.5 billion compared to \$2.3 billion for the fiscal year ended February 2, 2002. Total sales increased 7.3% compared to the corresponding period last year. Total sales for the year ended February 1, 2003 include \$134.2 million attributable to operations of VCM Ltd. acquired effective February 2, 2002. The company's same store sales decreased 3.5% for the fiscal year.
- Operating profit for the year was \$33.9 million compared to a \$16.3 million operating loss for the prior year.
- The income for the year before extraordinary item and accounting change was \$0.5 million, or \$0.01 per share.
- Net loss for the year ended February 1, 2003 was \$3.7 million, or \$0.11 per share on a diluted basis, compared to a net loss of \$28.7 million, or \$0.85 per share on a diluted basis for the prior year.

At 4:00 p.m. ET, on April 8, 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 5:30 p.m. ET April 8, 2003 through May 8, 2003. To listen to the replay, dial 1-800-839-0860 and reference confirmation code number 1045.

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., 20 Filene's Basement Stores and 126 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.
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	February 1, <u>2003</u>	February 2, <u>2002</u>
ASSETS		
Cash and equivalents	\$ 11,059	\$ 35,915
Accounts receivable, net	10,666	6,650
Receivables from affiliates	933	905
Inventories	389,825	396,830
Prepaid expenses and other assets	19,354	15,741
Deferred income taxes	51,317	63,102
Total current assets	483,154	519,143
Property and equipment, net	233,452	244,644
Goodwill	37,619	40,974
Tradenames and other intangibles, net	47,583	51,654
Other assets	29,991	23,896
Total Assets	\$831,799	\$880,311
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$160,809	\$149,864
Accounts payable to affiliates	4,228	8,909
Accrued expenses	135,918	130,930
Current maturities of long-term obligations	809	665
Total current liabilities	301,764	290,368
Long-term obligations, net of current maturities	264,664	337,199
Deferred rent and other noncurrent liabilities	44,207	32,315
Shareholders' equity	221,164	220,429
Total Liabilities and Stockholders' Equity	\$831,799	\$880,311

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

	<u>Thirteen Weeks Ended</u>		<u>Fifty-two Weeks Ended</u>	
	<u>February 1,</u> <u>2003</u> (unaudited)	<u>February 2,</u> <u>2002</u> (Unaudited)	<u>February 1,</u> <u>2003</u>	<u>February 2,</u> <u>2002</u>
Net sales, excluding sales of licensed departments	\$ 678,755	\$ 632,884	\$ 2,450,719	\$ 2,283,878
Cost of sales	422,520	409,414	1,514,629	1,429,455
Gross profit	256,235	223,470	936,090	854,423
Selling, general and administrative expenses	239,057	239,753	909,573	888,734
License fees from affiliates	638	5,385	2,628	12,228
Other operating income	917	1,492	4,777	5,739
Operating profit (loss)	18,733	(9,406)	33,922	(16,344)
Interest expense, net	9,527	4,610	32,493	28,510
Income (loss) before equity in loss of joint venture, extraordinary item, cumulative effect of accounting change and income taxes	9,206	(14,016)	1,429	(44,854)
Equity in loss of joint venture	--	2,047	--	(406)
Income (loss) before extraordinary item, cumulative effect of accounting change and income taxes	9,206	(11,969)	1,429	(45,260)
(Provision) benefit for income taxes	(3,874)	3,294	(944)	16,537
Income (loss) before extraordinary item and cumulative effect of accounting change	5,332	(8,675)	485	(28,723)
Extraordinary (charge), net of income taxes	--	--	(2,070)	--
Cumulative effect of accounting change, net of income taxes	--	--	(2,080)	--
Net income (loss)	\$ 5,332	\$ (8,675)	\$ (3,665)	\$ (28,723)

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	<u>February 1,</u> <u>2003</u> (unaudited)	<u>February 2,</u> <u>2002</u> (Unaudited)	<u>February 1,</u> <u>2003</u>	<u>February 2,</u> <u>2002</u>
Basic and diluted earnings (loss) per share:				
<u>Basic</u>				
Income (loss) before extraordinary item and cumulative effect of accounting change	\$ 0.16	\$ (0.26)	\$ 0.01	\$ (0.85)
Extraordinary (charge), net of income taxes	--	--	\$ (0.06)	--
Cumulative effect of accounting change, net of income taxes	--	--	\$ (0.06)	--
Net income (loss)	\$ 0.16	\$ (0.26)	\$ (0.11)	\$ (0.85)
<u>Diluted</u>				
Income (loss) before extraordinary item and cumulative effect of accounting change	\$ 0.12	\$ (0.26)	\$ 0.01	\$ (0.85)
Extraordinary (charge), net of income taxes	--	--	\$ (0.06)	--
Cumulative effect of accounting change, net of income taxes	--	--	\$ (0.06)	--
Net income (loss)	\$ 0.12	\$ (0.26)	\$ (0.11)	\$ (0.85)
Comparable store sales:				
Value City Department Stores	(5.7)%	(1.2)%	(5.1)%	(3.7)%
DSW Shoe Warehouse	(1.5)	(3.0)	(0.1)	0.0
Filene's Basement	(4.1)	3.2	0.3	2.2
Total	(4.8)%	(0.9)%	(3.5)%	(2.4)%
Store count at end of period:				
Value City Department Stores			116	117
DSW Shoe Warehouse			126	104
Filene's Basement			20	20
Total			262	241

SOURCE: Value City Department Stores, Inc.