

Retail Ventures, Inc. Reports Second Quarter Operating Results

Columbus, Ohio, September 7, 2004 /PRNewswire/ -- Retail Ventures, Inc. (NYSE: RVI) today announced its consolidated financial results for the second quarter ended July 31, 2004.

- Net sales for the second quarter ended July 31, 2004 increased 4.5% to \$631.7 million from \$604.6 million for the quarter ended August 2, 2003.
- Comparable store sales for the quarter decreased 1.7% when compared to the same period last year.
- Operating profit for the quarter was \$11.9 million compared to a \$2.8 million profit for the prior year's quarter.
- The net income for the quarter was \$1.2 million, or \$0.03 per share on a diluted basis, compared to a net loss of \$3.6 million, or \$0.11 per share on a diluted basis last year.
- At 8:30 a.m. EDT, on September 8, 2004, 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.retailventuresinc.com. A replay will be available from 6:00 p.m. EDT September 8, 2004 through October 8, 2004. To listen to the replay, dial 1-800-839-0860 and reference confirmation code number 1490.

Retail Ventures, Inc. is a leading off-price retailer operating 116 full-line department stores in the Midwest, mid-Atlantic and southeastern United States, 158 better-branded DSW Shoe Warehouse Stores in major metropolitan areas throughout the country and 24 Filene's Basement Stores. DSW also supplies, under supply arrangements, to 197 locations for other non-related retailers in the United States.

SOURCE: Retail Ventures, Inc.

Contact: Jim McGrady, Chief Financial Officer - (614) 478-2208

RETAIL VENTURES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

	July 31, <u>2004</u>	January 31, <u>2004</u>	August 2, <u>2003</u>
ASSETS			
Cash and equivalents	\$ 2,728	\$ 14,226	\$ 31,920
Accounts receivable, net	13,066	8,969	7,820
Receivables from related parties	991	137	1,055
Inventories	517,547	420,338	477,194
Prepaid expenses and other assets	24,766	10,651	16,823
Deferred income taxes	47,794	44,933	59,893
Total current assets	606,892	499,254	594,705
Property and equipment, net	258,731	251,818	233,311
Goodwill	37,619	37,619	37,619
Tradenames and other intangibles, net	45,554	43,638	45,620
Other assets	32,113	31,616	28,472
Total Assets	\$ 980,909	\$ 863,945	\$ 939,727
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable	\$ 196,612	\$ 147,771	\$ 189,877
Accounts payable to related parties	3,170	3,335	17,463
Accrued expenses	113,249	112,550	116,045
Current maturities of long-term obligations	613	741	813
Total current liabilities	313,644	264,397	324,198
Long-term obligations, net of current maturities	388,664	326,940	361,261
Other noncurrent liabilities	61,640	55,841	49,112
Shareholders' equity	216,961	216,767	205,156
Total Liabilities and Shareholders' Equity	\$ 980,909	\$ 863,945	\$ 939,727

RETAIL VENTURES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2004</u>	<u>August 2, 2003</u>	<u>July 31, 2004</u>	<u>August 2, 2003</u>
Net sales, excluding sales of licensed departments	\$ 631,654	\$ 604,594	\$ 1,277,954	\$ 1,193,126
Cost of sales	(372,088)	(368,228)	(758,955)	(740,040)
Gross profit	259,566	236,366	518,999	453,086
Selling, general and administrative expenses	(249,261)	(234,885)	(503,465)	(464,919)
License fees and other income	1,566	1,291	3,123	2,792
Operating profit (loss)	11,871	2,772	18,657	(9,041)
Interest expense, net	(9,914)	(9,059)	(19,309)	(19,649)
Income (loss) before income taxes	1,957	(6,287)	(652)	(28,690)
(Provision) benefit for income taxes	(797)	2,639	265	11,869
Net income (loss)	\$ 1,160	\$ (3,648)	\$ (387)	\$ (16,821)
Weighted average shares outstanding:				
Basic	33,903	33,720	33,882	33,716
Diluted	37,094	33,720	33,882	33,716
Basic and diluted income (loss) per share:	\$ 0.03	\$ (0.11)	\$ (0.01)	\$ (0.50)
Same store sales:				
Value City Department Stores	(5.6)%	0.6%	(3.3)%	(1.8)%
DSW Shoe Warehouse	2.8	4.5	6.6	0.4
Filene's Basement	5.1	0.3	10.1	(3.8)
Total	(1.7)%	1.6%	1.2%	(1.5)%
Store count at end of period:				
Value City Department Stores			116	116
DSW Shoe Warehouse			158	131
Filene's Basement			24	21
Total			298	268

SOURCE: Retail Ventures, Inc.