

## Retail Ventures, Inc. Reports First Quarter Operating Results

Columbus, Ohio, June 16, 2009 /PRNewswire/ -- Retail Ventures, Inc. (NYSE: RVI) today announced its consolidated financial results for the first quarter ended May 2, 2009.

On April 21, 2009, Retail Ventures sold all of the outstanding capital stock of Filene's Basement to FB II Acquisition Corp., a newly formed entity owned by Buxbaum Holdings, Inc. On May 4, 2009, Filene's Basement filed for bankruptcy protection.

- The loss from continuing operations for the quarter ended May 2, 2009 was \$51.9 million on net sales of \$385.8 million, compared to income from continuing operations of \$45.9 million on net sales of \$366.3 million for the quarter ended May 3, 2008. DSW same store sales decreased 4.7% during the first quarter of fiscal 2009 versus a decrease of 5.4% last year.
- Diluted loss per share from continuing operations attributable to Retail Ventures, Inc. common shareholders was \$1.12 for the quarter ended May 2, 2009 compared with diluted earnings per share from continuing operations attributable to Retail Ventures, Inc. common shareholders of \$0.82 per share last year.

The Company believes that the non-cash accounting charge associated with the change in fair value of derivative instruments is not directly related to its retail operations and is therefore providing supplemental adjusted results that exclude this item. This non-GAAP financial measure should facilitate analysis by investors and others who follow the Company's financial performance. A reconciliation of non-GAAP results follows:

	Fiscal Quarter Ended	
	May 2, 2009	May 3, 2008
	(dollars in thousands)	
Operating (loss) profit:		
Non-GAAP operating (loss) profit	\$ (46,688)	\$ 16,006
Change in fair value of derivatives	(1,388)	37,168
GAAP operating (loss) profit	\$ (48,076)	\$ 53,174
 (Loss) income from continuing operations attributable to Retail Ventures, Inc. common shareholders:		
Non-GAAP (loss) income from continuing operations	\$ (53,142)	\$ 4,935
Change in fair value of derivatives	(1,388)	37,168
GAAP (loss) income from continuing operations, net of tax	\$ (54,530)	\$ 42,103
 Diluted (loss) income per share from continuing operations attributable to Retail Ventures, Inc. common shareholders:		
Non-GAAP diluted (loss) income per share	\$ (1.09)	\$ 0.10
Change in fair value of derivatives	(0.03)	0.72
GAAP diluted (loss) income per share from continuing operations	\$ (1.12)	\$ 0.82

Retail Ventures, Inc. is a leading off-price retailer operating as of May 2, 2009, 303 DSW shoe stores in 38 states. DSW also supplies shoes, under supply arrangements, to 365 locations for other retailers in the United States and operates dsw.com.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Any statements in this release that are not historical or current facts are forward-looking statements. All forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that could cause our future financial performance in fiscal 2009 and beyond to differ materially from those expressed or implied in any such forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors" section of the Company's latest quarterly or annual report, as filed with the SEC. These factors include, but are not limited to: DSW's success in opening and operating new stores on a timely and profitable basis; continuation of DSW's supply agreements and the financial condition of its leased business partners; maintaining good relationships with our vendors; our ability to anticipate and respond to fashion trends; fluctuation of our comparable store sales and quarterly financial performance; the effect of bankruptcy filings made by Value City and Filene's Basement; the impact of the disposition of Filene's Basement and of a majority interest in Value City and the reliance on remaining subsidiaries to pay indebtedness and intercompany service obligations; the risk of Value City and Filene's Basement not paying us or its other creditors, for which Retail Ventures may have some liability; the impact of Value City and Filene's Basement on our liquidity; disruption of our distribution operations; our dependence on DSW for key services; the success of dsw.com; failure to retain our key executives or attract qualified new personnel; our competitiveness with respect to style, price, brand availability and customer service; declining general economic conditions; liquidity and investment risks related to our investments; and DSW's ability to secure additional credit upon the termination of its existing credit facility. Additional factors that could cause our actual results to differ materially from our expectations are described in the Company's latest annual or quarterly report, as filed with the SEC. Any forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to revise the forward-looking statements included in this press release to reflect any future events or circumstances.

SOURCE: Retail Ventures, Inc.

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**RETAIL VENTURES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(unaudited)

	<u>May 2,</u> <u>2009</u>	<u>January 31,</u> <u>2009</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 103,339	\$ 94,308
Restricted cash	10,262	261
Short-term investments, net	81,402	101,404
Accounts receivable, net	7,652	7,474
Inventories	278,229	244,008
Prepaid expenses and other assets	24,008	27,249
Deferred income taxes	26,543	22,243
Current assets held for sale		66,678
<b>Total current assets</b>	<b>531,435</b>	<b>563,625</b>
Property and equipment, net	233,084	236,355
Goodwill	25,899	25,899
Conversion feature of long-term debt	76,417	77,761
Deferred income taxes and other assets	9,048	11,329
Non-current assets held for sale		38,793
<b>Total assets</b>	<b>\$ 875,883</b>	<b>\$ 953,762</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable, net	\$ 120,027	\$ 96,213
Accrued expenses	109,467	77,064
Warrant liability	6,345	6,292
Current maturities of long-term debt	250	250
Current liabilities held for sale		76,030
<b>Total current liabilities</b>	<b>236,089</b>	<b>255,849</b>
Long-term obligations, net of current maturities	128,104	127,576
Other noncurrent liabilities	119,862	109,290
Deferred income taxes	28,726	29,806
Non-current liabilities held for sale		36,055
Total Retail Ventures' shareholder's equity	187,483	222,614
Noncontrolling interests	175,619	172,572
<b>Total shareholders' equity</b>	<b>363,102</b>	<b>395,186</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 875,883</b>	<b>\$ 953,762</b>

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

	Thirteen weeks ended May 2, <u>2009</u>	Thirteen weeks ended May 3, <u>2008</u>
Net sales	\$ 385,846	\$ 366,264
Cost of sales	(217,600)	(211,098)
Gross profit	168,246	155,166
Selling, general and administrative expenses	(214,934)	(139,160)
Change in fair value of derivative instruments	(1,388)	37,168
Operating (loss) profit	(48,076)	53,174
Interest expense, net	(2,744)	(643)
Other-than-temporary impairment charge on investments	(395)	
(Loss) income from continuing operations before income taxes	(51,215)	52,531
Income taxes expense	(666)	(6,622)
(Loss) income from continuing operations	(51,881)	45,909
Income (loss) from discontinued operations	10,658	(12,952)
Net (loss) income	(41,223)	32,957
Less: net income attributable to the noncontrolling interests	(2,649)	(3,806)
Net (loss) income attributable to Retail Ventures, Inc.	\$ (43,872)	\$ 29,151
Basic (loss) earnings per share from continuing operations attributable to Retail Ventures, Inc. common shareholders	\$ (1.12)	\$ 0.87
Diluted (loss) earnings per share from continuing operations attributable to Retail Ventures, Inc. common shareholders	\$ (1.12)	\$ 0.82
Basic earnings (loss) per share from discontinued operations attributable to Retail Ventures, Inc. common shareholders	\$ 0.22	\$ (0.27)
Diluted earnings (loss) per share from discontinued operations attributable to Retail Ventures, Inc. common shareholders	\$ 0.22	\$ (0.25)
Basic (loss) earnings per share attributable to Retail Ventures, Inc. common shareholders	\$ (0.90)	\$ 0.60
Diluted (loss) earnings per share attributable to Retail Ventures, Inc. common shareholders	\$ (0.90)	\$ 0.56
Basic shares used in calculation	48,692	48,639
Diluted shares used in calculation	48,692	51,622
Amounts attributable to Retail Ventures, Inc. common shareholders:		
(Loss) income from continuing operations, net of tax	\$ (54,530)	\$ 42,103
Discontinued operations, net of tax	10,658	(12,952)
Net (loss) income	\$ (43,872)	\$ 29,151

SOURCE: Retail Ventures, Inc.