

Mergent

Borders Group, Inc.

100 Phoenix Drive
Ann Arbor, MI 48108
Phone: 734 477-1100
Country: United States
Date: August 15, 2000

Ticker: **BGP**
Exchange: New York
Number of Employees: 17,000
Date of Incorporation: August 1994
Primary SIC: 5942 *Book Stores*

Secondary SIC: 5999 *Miscellaneous Retail Stores, NEC*

Highlights Report

PROFITABILITY RATIOS

ROE	11.25
ROA	4.72
Gross Margin	28.37
EBITDA of Revenue	5.66
Operating Margin	5.54
Pre-Tax Margin	4.94
Net Profit Margin	3.01
Effective Tax Rate	39.11

FINANCIAL STRENGTH INDICATORS

Quick Ratio	0.05
Current Ratio	1.17
Long Term Debt to Equity	0.02
Total Debt to Equity	0.19
Interest Coverage	9.28
Working Cap/Total Assets	0.09

FINANCIAL SUMMARY (\$000)

Total Revenue	2,999,200
EBITDA	169,700
Operating Income	166,200
Total Assets	1,914,800
Current Assets	1,198,200
Total Liabilities	1,112,200
Current Liabilities	1,027,900
Long Term Debt	16,200
Stockholder's Equity	802,600

Business

Co., through its subsidiaries, is an operator of book superstores and an operator of mall-based bookstores. Co. operates superstores primarily under the Borders name, including stores in the United Kingdom, Singapore, Australia and New Zealand. Co. also operates mall-based and other bookstores primarily under the Waldenbooks name and bookstores under the Books etc. name in the United Kingdom. Walden is an operator of seasonal kiosks under the Day by Day and All Wound Up names. Co., through its subsidiaries, is also an online retailer of books, music, and video through the operation of its Internet commerce site, Borders.com.

Borders: Borders is an operator of book and music superstores, offering customers selection and service. Each Borders superstore offers customers an assortment of books, customer service, value pricing and an environment designed to encourage browsing. A Borders superstore typically carries a broad selection of book titles. Borders superstores carry an average of 150,000 book titles, ranging from 85,000 titles to 170,000 titles, across numerous categories, including many hard-to-find titles. As of Jan. 23, 2000, 276 of the 291 domestic Borders superstores were in a book and music format, which also features an extensive selection of pre-recorded music, with an emphasis on hard-to-find recordings and categories such as jazz, classical and foreign music, and a broad assortment of pre-recorded videotapes and digital video discs, focusing primarily on classic movies and hard-to-find titles. Each book and music superstore carries approximately 50,000 titles of music, 5,500 titles of videotapes and 1,400 titles of digital video discs.

Walden: Walden is an operator of mall-based bookstores in terms of sales and number of stores, offering customers a convenient source for new releases, hardcover and paperback bestsellers, periodicals and a standard selection of other titles. Walden stores average approximately 3,900 square feet in size and typically carry between 15,000 and 40,000 titles. Walden operates a customer affinity program, the Preferred Reader Program.

International: International superstores range between 16,000 and 41,000 square feet in size. International superstores tend to be multi-level facilities located in older buildings in urban locations.

Long Term Debt

Jan. 23, 2000, \$152,300,000 (including short-term borrowings and current portion of \$136,100,000) long-term debt and capital lease obligations.

Line of Credit: Co. has a \$425.0 multicurrency credit agreement (the Credit Facility) which expires in Oct., 2002. Borrowings under the Credit Facility bear interest at a base rate or an increment over LIBOR at Co.'s option. The Credit Facility contains covenants which limit, among other things, Co.'s ability to incur indebtedness, grant liens, make acquisitions, merge, declare dividends, dispose of assets, and issue or repurchase its common stock in excess of \$100.0 (plus any proceeds and tax benefits resulting from stock option exercises and tax benefits resulting from restricted shares purchased by employees from Co.), and require Co. to meet certain financial measures regarding fixed charge coverage, leverage and tangible net worth. Co. is prohibited under the Credit Facility from paying cash dividends on common shares. Effective Feb. 2000, Co. increased the credit available under the Credit Facility to \$472.8. Co. had borrowings outstanding under the Credit Facility of \$133.4 at Jan. 23, 2000. The weighted average interest rate in 1999 was approximately 5.7%.

During 1999, Co. entered into a \$130.0 multicurrency seasonal revolving credit facility (the Seasonal

Facility) which expires in July, 2000. Borrowings under the Seasonal Facility bear interest at a base rate or an increment over LIBOR at Co.'s option. The Seasonal Facility contains covenants and events of default that are similar to those contained in the Credit Facility described above. Co. had no borrowings outstanding under the Seasonal Facility as of Jan. 23, 2000. Effective Feb. 2000, Co. reduced the credit available under the Seasonal Facility to \$25.0, in accordance with provisions of the agreement.

Property

Co. leases its corporate headquarters in Ann Arbor, MI. At Jan. 23, 2000, Co. operated 300 superstores primarily under the Borders name, including six in the United Kingdom, and one each in Singapore, Australia and New Zealand. Co. also operated 904 mall-based and other bookstores primarily under the Waldenbooks name and 27 bookstores under the Books etc. name in the United Kingdom.

Borders: Borders superstores average 26,500 square feet in size, including approximately 5,000 square feet devoted to music, approximately 700 square feet devoted to videos and digital video discs and approximately 1,400 square feet devoted to a cafe.

Walden: Walden stores average approximately 3,900 square feet in size and typically carry between 15,000 and 40,000 titles.

Books etc.: Books etc. operated 27 stores in the United Kingdom as of Jan. 23, 2000.

History

Incorporated in Delaware on Aug. 9, 1994.

On Oct. 30, 1992, Kmart acquired Co. in a stock-for-stock exchange in which Kmart issued 784,938 shares of Kmart convertible preferred stock in exchange for all outstanding Co. shares. The transaction was accounted for under the purchase method of accounting; accordingly the purchase price was allocated to assets acquired and liabilities assumed based upon their estimated fair values.

On Sept. 1, 1994, Co. acquired all of the outstanding capital stock and related options and warrants of CD Superstore, Inc. for \$12,300,000 in cash and 321,938 shares of Co.'s Series A Preferred stock, valued at \$5,200,000. CD Superstore, Inc. was then renamed Planet Music, Inc. The transaction was accounted for under the purchase method of accounting; accordingly the purchase price was allocated to the net assets acquired based upon their estimated fair values.

In June 1997, Co. acquired Library, Ltd, The (Inc), Saint Louis, MO. Terms of the deal, effective July 1, 1997, were not disclosed.

On Oct. 20, 1997, Co. purchased 100% of the outstanding stock of Books, etc., a London-based retailer of books and associated products. Books, etc. currently operates 22 stores in the United Kingdom.

In Jan. 1998, Co. and Paperchase Products Ltd. stated that Co. acquired a 19.9% equity stake in Paperchase Products Ltd.

In Mar. 1999, Co. purchased All Wound Up, a seasonal retailer of interactive toys and novelty merchandise for a purchase price of \$19.7 (excluding debt repayment), allocated primarily to fixed assets, inventory and goodwill of \$19.7. The acquisition has been accounted for as a purchase.

In June 1999, Co. acquired a 19.9 percent stake in Atlanta-based Sprout Inc. Terms were not disclosed.

Executive Listing:

Name

Title

Officers

Carney, Thomas D.	V.P., Sec., Gen. Couns.
DiRomualdo, Robert F.	Chmn.
Josefowicz, Greg	Pres., C.E.O.
Mrkonic, George R.	Vice-Chmn.
Quinnell, Bruce A.	Vice-Chmn.
Scheve, Kenneth E.	Sr. V.P., C.F.O., Treas.

Directors

DiRomualdo, Robert F.
Formanek, Peter R.
Josefowicz, Greg
Lund, Victor L.
Medford, Edna Greene
Mrkonic, George R.
Pollock, Larry
Pritchard, Beth M.
Quinnell, Bruce A.

Subsidiaries Listing:

Company

Percent Owned

Borders, Inc.	100.00%
Borders Fulfillment, Inc.	100.00%
Borders Online, Inc.	100.00%
Borders Outlet, Inc.	100.00%
Borders Properties, Inc.	100.00%
Planet Music, Inc.	100.00%
Niche Marketing Limited, Inc.	100.00%
Niche Marketing LLC d/b/a All Wound Up!	100.00%
The Library, Ltd.	100.00%
Walden Book Company, Inc.	100.00%
Waldenbooks Properties, Inc.	100.00%
Books (UK) Limited	100.00%
Borders New Zealand Limited	100.00%
Borders PTE. Limited	100.00%
Borders Australia PTY, Limited	100.00%
BGI U.K. Limited	100.00%
BGP U.K. Limited	100.00%
Paperchase Products Limited	100.00%

Ratio Analysis Report

	Year Ending Jan-00	Year Jan-99	Annual Variance	Annual %	Qtr Jan-00	Qtr Ending Oct-99	Qtr Variance	Qtr %
ROE %	11.25	12.88	-1.63	-12.64	0.00	0.00	0.00	0.00
ROA %	4.72	5.21	-0.50	-9.54	4.72	0.00	4.72	0.00
Gross Margin %	28.37	28.35	0.03	0.10	28.37	26.30	2.08	7.89
EBITDA % of Revenue	5.54	6.45	-0.91	-14.05	5.54	0.40	5.15	1,298.80
Operating Margin %	5.54	6.45	-0.91	-14.05	5.54	0.40	5.15	1,298.80
Pre-Tax Margin %	4.94	5.82	-0.88	-15.08	4.94	0.00	4.94	0.00
Net Profit Margin %	3.01	3.55	-0.54	-15.17	3.01	0.00	3.01	0.00
Quick Ratio	0.05	0.05	0.00	-2.29	0.05	0.04	0.01	30.95
Current Ratio	1.17	1.15	0.02	1.70	1.17	1.06	0.10	9.58
Long Term Debt to Equity	0.02	0.01	0.01	129.11	0.02	0.01	0.01	147.45
Total Debt to Equity	0.19	0.20	-0.01	-3.35	0.19	0.55	-0.36	-65.28
Interest Coverage	9.28	10.33	-1.04	-10.09	9.28	0.51	8.78	1,721.27
Working Cap/Total Assets	0.09	0.08	0.01	8.73	0.09	0.04	0.05	123.76

Balance Sheet Analysis

(Millions of U.S. Dollars)	Year Ending Jan-00	Year Jan-99	Annual Variance	Annual %	Qtr Ending Jan-00	Qtr Ending Oct-99	Qtr Variance	Qtr %
Assets								
Cash & Cash Equivalents	41.60	42.80	-1.20	-2.80	41.60	48.80	-7	-14.75
Receivables, Net	10.00	8.00	2.00	25.00	10.00	0.00	10	0.00
Inventories	1,077.70	1,019.60	58.10	5.70	1,077.70	1,241.20	-164	-13.17
Total Current Assets	1,198.20	1,133.30	64.90	5.73	1,198.20	1,354.20	-156	-11.52
Property, Plant, & Equipment, Net	558.20	493.80	64.40	13.04	558.20	532.70	26	4.79
Intangible Assets	121.80	106.00	15.80	14.91	121.80	122.10	0	-0.25
Total Assets	1,914.80	1,766.60	148.20	8.39	1,914.80	2,042.90	-128	-6.27
Liabilities								
Accounts Payable	580.40	607.20	-26.80	-4.41	580.40	697.30	-117	-16.76
Taxes Payable	79.20	25.80	53.40	206.98	79.20	18.00	61	340.00
Short-term & Current Portion of Long-term	136.10	134.10	2.00	1.49	136.10	376.20	-240	-63.82
Total Current Liabilities	1,027.90	988.80	39.10	3.95	1,027.90	1,273.00	-245	-19.25
Long-term Debt	16.20	6.30	9.90	157.14	16.20	5.70	11	184.21
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Total Liabilities	1,112.20	1,051.50	60.70	5.77	1,112.20	1,344.10	-232	-17.25
Stock Holder Equity								
Common Stock	679.60	687.30	-7.70	-1.12	679.60	675.20	4	0.65
Additional Paid-In Capital	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Retained Earnings	126.70	36.40	90.30	248.08	126.70	28.20	99	349.29
Stockholders' Equity	802.60	715.10	87.50	12.24	802.60	698.80	104	14.85

Income Statement Analysis

(Millions of U.S. Dollars)	Year Ending Jan-00	Year Ending Jan-99	Annual Variance	Annual %	Qtr Ending Jan-00	Qtr Ending Oct-99	Qtr Variance	Qtr %
Total Revenue	2,999.20	2,595.00	404.20	15.58	2,999.20	656.30	2,342.90	356.99
Cost of Revenue	2,148.20	1,859.40	288.80	15.53	2,148.20	483.70	1,664.50	344.12
Selling, General & Administrative	684.80	568.30	116.50	20.50	684.80	170.00	514.80	302.82
Interest Expense	17.90	16.20	1.70	10.49	17.90	5.10	12.80	250.98
Income Taxes	58.00	59.00	-1.00	-1.69	58.00	- 1.00	59.00	-5,900.00
Net Income	90.30	92.10	-1.80	-1.95	90.30	- 1.50	91.80	-6,120.00
Outstanding Shares	77.69	77.70	-0.01	-0.01	77.69	77.10	0.59	0.77
Earning Per Share - Net Income	1.16	1.20	-0.04	-3.33	1.16	-0.02	1.18	-5,900.00
Earning Per Share - Net Income(Diluted)	1.13	1.12	0.01	0.89	1.13	-0.02	1.15	-5,750.00

As Presented Annual Balance Sheet*Thousands of United States Dollars*

	Year Ending Jan-00	Year Ending Jan-99	Year Ending Jan-98	Year Ending Jan-97	Year Ending Jan-96
Assets					
Cash & cash equivalents	41,600.00	42,800.00	65,100.00	42,600.00	36,500.00
Merchandise inventories	1,077,700.00	1,019,600.00	879,100.00	737,500.00	637,500.00
Accounts receivable & other current assets	68,900.00	62,900.00	60,800.00	44,100.00	34,000.00
Property held for resale	0.00	0.00	0.00	8,100.00	28,700.00
Deferred income taxes	10,000.00	8,000.00	13,400.00	14,100.00	3,500.00
Total current assets	1,198,200.00	1,133,300.00	1,018,400.00	846,400.00	740,200.00
Land	10,200.00	10,200.00	10,200.00	0.00	600.00
Buildings	5,300.00	5,700.00	5,700.00	0.00	2,700.00
Leasehold improvements	307,800.00	251,900.00	214,400.00	179,100.00	163,900.00
Furniture & fixtures	593,900.00	507,600.00	404,300.00	342,600.00	277,800.00
Construction in progress	36,400.00	50,000.00	20,600.00	2,600.00	17,000.00
Gross property & equipment	953,600.00	825,400.00	655,200.00	524,300.00	462,000.00
Less accumulated depreciation &	395,400.00	331,600.00	281,500.00	235,100.00	218,500.00
Property & equipment, net	558,200.00	493,800.00	373,700.00	289,200.00	243,500.00
Other assets	36,500.00	25,100.00	20,100.00	18,400.00	6,300.00
Deferred income taxes	100.00	8,400.00	13,200.00	18,500.00	22,700.00
Goodwill, net	121,800.00	106,000.00	109,500.00	38,500.00	39,600.00
Total assets	1,914,800.00	1,766,600.00	1,534,900.00	1,211,000.00	1,052,300.00
Liabilities					
Short-tm borrow & current port of lg-tm debt	136,100.00	134,100.00	127,300.00	30,500.00	60,500.00
Trade accounts payable	580,400.00	607,200.00	480,700.00	350,100.00	304,800.00
Accrued payroll & other liabilities	232,200.00	221,700.00	210,800.00	197,800.00	157,000.00
Due to Kmart	0.00	0.00	0.00	0.00	0.00
Restructuring reserve	0.00	0.00	0.00	0.00	7,000.00
Taxes, including income taxes	79,200.00	25,800.00	62,600.00	56,100.00	13,600.00
Total current liabilities	1,027,900.00	988,800.00	881,400.00	634,500.00	542,900.00
Long-term debt & capital lease obligations	16,200.00	6,300.00	5,200.00	6,200.00	8,100.00
Other long-term liabilities	68,100.00	56,400.00	50,200.00	24,800.00	29,300.00
Total liabilities	1,112,200.00	1,051,500.00	936,800.00	665,500.00	580,300.00
Mandatorily redeemable Series A preferred	0.00	0.00	0.00	0.00	0.00
Shares subject to repurchase	0.00	0.00	0.00	34,100.00	0.00
Stock Holder Equity					
Common stock	679,600.00	687,300.00	661,000.00	100.00	0.00
Additional paid-in capital	0.00	0.00	0.00	648,000.00	669,200.00
Deferred compensation & officer receivables	3,900.00	7,700.00	6,300.00	800.00	3,400.00
Accumulated other comprehensive income	200.00	-900.00	-900.00	0.00	0.00
Retained earnings (accumulated deficit)	126,700.00	36,400.00	-55,700.00	-135,900.00	-193,800.00
Total stockholders' equity	802,600.00	715,100.00	598,100.00	511,400.00	472,000.00

As Presented Annual Income Statement

Thousands of United States Dollars

	Year Ending Jan-00	Year Ending Jan-99	Year Ending Jan-98	Year Ending Jan-97	Year Ending Jan-96
Sales	2,999,200.00	2,595,000.00	2,266,000.00	1,958,800.00	1,749,000.00
Cost of merchandise sold (includes occupancy)	2,148,200.00	1,859,400.00	1,634,300.00	1,437,800.00	1,302,300.00
Gross margin	851,000.00	735,600.00	631,700.00	521,000.00	446,700.00
Selling, general & administrative expenses	673,500.00	557,600.00	484,900.00	409,600.00	374,500.00
Pre-opening expense	7,800.00	7,800.00	7,200.00	7,200.00	7,300.00
Goodwill amortization & writedowns	3,500.00	2,900.00	1,600.00	1,100.00	205,500.00
FAS 121 impairment	0.00	0.00	0.00	0.00	63,100.00
Oper losses of stores identified for closure	0.00	0.00	0.00	0.00	-3,300.00
Restructuring provision	0.00	0.00	0.00	0.00	0.00
Operating income (loss)	166,200.00	167,300.00	138,000.00	103,100.00	-200,400.00
Interest expense	17,900.00	16,200.00	7,200.00	7,000.00	4,600.00
Income (loss) before income tax	148,300.00	151,100.00	130,800.00	96,100.00	-205,000.00
Income tax provision	58,000.00	59,000.00	50,600.00	38,200.00	6,100.00
Income (loss) before accounting changes	0.00	0.00	0.00	57,900.00	-211,100.00
Net income (loss)	90,300.00	92,100.00	80,200.00	57,900.00	-211,100.00
Weighted average shares outstanding - basic	77,577.00	76,631.00	75,825.00	82,554.00	83,358.00
Weighted average shares outstanding - diluted	80,218.00	82,503.00	82,241.00	0.00	0.00
Year end shares outstanding	77,687.83	77,695.00	75,396.00	75,858.00	75,318.00
Net income (loss) per share - basic	1.16	1.20	1.06	0.70	-2.53
Net income (loss) per share - diluted	1.13	1.12	0.98	0.00	0.00
Number of full time employees	17,000.00	15,600.00	14,100.00	12,500.00	11,300.00
Number of part time employees	13,000.00	11,600.00	10,200.00	10,300.00	8,700.00
Total number of employees	30,000.00	27,200.00	24,300.00	22,800.00	20,000.00
Number of common stockholders	4,521.00	4,506.00	3,744.00	3,125.00	2,885.00
Depreciation & amortization	0.00	2,900.00	1,600.00	42,900.00	42,000.00

As Presented Annual Cash Flow Statement*Thousands of United States Dollars*

	Year Ending Jan-00	Year Ending Jan-99	Year Ending Jan-98	Year Ending Jan-97	Year Ending Jan-96
Net income (loss)	90,300.00	92,100.00	80,200.00	57,900.00	-211,100.00
Restructuring provision	0.00	0.00	0.00	0.00	0.00
Depreciation & amortization	84,700.00	66,700.00	54,800.00	42,900.00	42,000.00
Goodwill writedown	0.00	0.00	0.00	0.00	201,800.00
FAS 121 impairment	0.00	0.00	0.00	0.00	63,100.00
Loss on disposal of property &	0.00	0.00	0.00	0.00	1,800.00
(Increase) decrease in deferred income	6,300.00	10,200.00	3,900.00	-6,400.00	-400.00
Incr (decr) in oth lg-tm assets &	6,200.00	1,900.00	2,300.00	-16,000.00	-14,600.00
Other adjustments - net	0.00	0.00	0.00	0.00	1,500.00
Increase in inventories	-55,100.00	-140,500.00	-130,400.00	-100,000.00	-109,700.00
Decrease in property held for resale	0.00	0.00	0.00	0.00	-7,000.00
Decrease in restructuring reserve	0.00	0.00	0.00	-2,100.00	-38,000.00
Increase in accounts payable	-26,900.00	126,500.00	121,900.00	45,300.00	33,600.00
Increase in taxes payable	59,600.00	2,900.00	12,000.00	0.00	0.00
Other current assets & liabilities - net	7,900.00	6,400.00	2,300.00	79,400.00	48,700.00
Net cash provided by operations	173,000.00	166,200.00	147,000.00	101,000.00	11,700.00
Capital expenditures	-144,700.00	-179,800.00	-113,600.00	-97,200.00	-116,000.00
Purchase of Planet Music	0.00	0.00	0.00	0.00	0.00
Proceeds from sale of property &	0.00	0.00	0.00	4,700.00	34,200.00
Acquisitions	-14,500.00	0.00	-61,400.00	0.00	0.00
Other investing activities	0.00	0.00	0.00	-400.00	0.00
Net cash used for investing	-159,200.00	-179,800.00	-175,000.00	-92,900.00	-81,800.00
Repayment of lg-tm debt & capital lease	-1,200.00	-4,600.00	-900.00	-2,000.00	-7,200.00
Increase in capital lease obligations	500.00	3,000.00	0.00	0.00	0.00
Repayment of debt assumed in acq	-2,000.00	0.00	0.00	0.00	0.00
Proceeds from sale of put options	0.00	0.00	0.00	4,500.00	0.00
Repurchase of put option	0.00	0.00	-800.00	0.00	0.00
Proceeds from construction funding	0.00	1,300.00	6,800.00	19,800.00	-9,600.00
Proceeds from initial public offering	0.00	0.00	0.00	0.00	248,000.00
Repayment to Kmart	0.00	0.00	0.00	0.00	-360,000.00
Net funding from credit facility	1,500.00	9,400.00	85,800.00	-30,000.00	60,000.00
Issuance of common stock	11,600.00	33,900.00	21,400.00	5,700.00	11,100.00
Purchase of shares held by Kmart	0.00	0.00	0.00	0.00	-72,700.00
Repurchase of common stock	-25,400.00	-51,700.00	-61,800.00	0.00	0.00
Net equity transactions with Kmart	0.00	0.00	0.00	0.00	0.00
Net cash provided by (used for)	-15,000.00	-8,700.00	50,500.00	-2,000.00	-130,400.00
Net increase (decrease) in cash &	-1,200.00	-22,300.00	22,500.00	6,100.00	-200,500.00
Cash & equivalents at beginning of year	42,800.00	65,100.00	42,600.00	36,500.00	237,000.00
Cash & equivalents at end of year	41,600.00	42,800.00	65,100.00	42,600.00	36,500.00
Interest paid	18,000.00	16,200.00	9,800.00	9,800.00	3,900.00
Income taxes paid	6,400.00	42,100.00	40,000.00	5,900.00	13,700.00

As Presented Quarterly Balance Sheet

<i>Millions of United States Dollars</i>	Qtr Ending Oct-99	Qtr Ending Jul-99	Qtr Ending Apr-99	Qtr Ending Oct-98	Qtr Ending Jul-98	Qtr Ending Apr-98
Assets						
Cash	48.80	60.80	49.00	40.30	44.80	49.70
Merchandise inventories	1,241.20	1,032.60	1,032.90	1,128.60	888.80	926.00
Accounts receivable & other current	64.20	59.50	70.60	70.90	54.90	68.60
Deferred income taxes	0.00	0.00	0.00	0.00	0.00	0.00
Property held for resale	0.00	0.00	0.00	0.00	0.00	0.00
Total current assets	1,354.20	1,152.90	1,152.50	1,239.80	988.50	1,044.30
Gross property & equipment	912.80	868.90	839.50	770.10	724.90	684.00
Less accumulated depreciation	380.10	360.60	348.90	319.80	306.80	293.10
Property & equipment, net	532.70	508.30	490.60	450.30	418.10	390.90
Deferred income taxes	0.00	0.00	0.00	0.00	0.00	0.00
Other assets & deferred charges	33.90	34.00	33.60	32.60	32.70	33.10
Goodwill, net	122.10	120.10	122.30	107.90	107.50	108.60
Total assets	2,042.90	1,815.30	1,799.00	1,830.60	1,546.80	1,576.90
Liabilities						
Short-term debt & cap lease oblig due 1	376.20	345.00	344.60	348.20	291.50	224.30
Trade accounts payable	697.30	490.60	474.50	631.30	382.80	485.20
Accrued payroll & other liabilities	181.50	178.10	180.80	161.50	170.60	179.80
Due to Kmart	0.00	0.00	0.00	0.00	0.00	0.00
Restructuring reserve	0.00	0.00	0.00	0.00	0.00	0.00
Taxes, including income taxes	18.00	19.40	17.00	3.90	0.00	22.00
Total current liabilities	1,273.00	1,033.10	1,016.90	1,144.90	844.90	911.30
Long-term debt & capital lease	5.70	6.30	7.00	6.00	5.10	5.20
Other long-term liabilities	65.40	63.30	63.00	53.90	52.90	51.60
Total liabilities	1,344.10	1,102.70	1,086.90	1,204.80	902.90	968.10
Mandatorily redeemable Series A	0.00	0.00	0.00	0.00	0.00	0.00
Stock Holder Equity						
Shares subject to repurchase	0.00	0.00	0.00	0.00	0.00	0.00
Common stock	675.20	688.00	687.20	683.20	700.10	666.30
Additional paid-in capital	0.00	0.00	0.00	0.00	0.00	0.00
Officers receivables & deferred	-4.70	-5.00	-6.90	-4.60	-5.00	-5.50
Accumulated other comprehensive	0.10	-0.10	-0.50	-2.50	-1.70	-0.10
Retained earnings (accumulated deficit)	28.20	29.70	32.30	-50.30	-49.50	-51.90
Total stockholders' equity	698.80	712.60	712.10	625.80	643.90	608.80

