



## News Release

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### **Belk, Inc. Reports First Quarter Operating Results**

CHARLOTTE, N.C., May 27, 2009 — Belk, Inc. today announced operating results for its fiscal first quarter ended May 2, 2009.

#### **Net Sales**

Net sales for the 13-week period were \$760.9 million compared to \$817.3 million the same prior-year period. The decrease was due primarily to a continued weakness in consumer retail spending as a result of poor macro-economic conditions and a challenging retail climate during the period. On a comparable store basis, sales decreased 7.7 percent.

#### **Net Income**

Net income was \$0.5 million for the first quarter compared to net income of \$5.1 million for the same prior-year period. The decrease was due primarily to the decline in sales and a lower gross profit rate during the period offset partially by reduced selling, general and administrative costs and lower interest expense. Net income excluding non-comparable items was \$0.6 million compared to \$4.3 million for the same prior-year period. A detailed reconciliation of net income to net income excluding non-comparable items is provided at the end of this release.

Tim Belk, chairman and chief executive officer of Belk, Inc., said, "First quarter results were in line with our expectations. Although results continue to reflect the weakened economy, we have begun to see some stabilization in the operating environment, which is positive. We will maintain our focus on managing expenses and inventories while delivering a compelling shopping experience to our customers. Our balance sheet remains strong with more than \$250 million of cash at the end of the quarter, almost twice the amount as in the same prior-year period."

#### **Store Expansion**

Belk opened three new stores during the first quarter on March 11, 2009 in Newnan, Ga., Winder, Ga. and Richmond, Ky., and completed the expansion of Belk at Colonial Pinnacle at Turkey Creek in Knoxville, Tenn. on May 6, 2009. Two other expansion projects are scheduled for completion later in the year at the Belk stores in Ashland, Ky. and Hilton Head Island, S.C.

#### **Belk, Inc. Stock Self Tender Offer Results Announced**

On April 1, 2009, Belk's board of directors approved a self-tender offer to purchase up to 500,000 shares of common stock at a price of \$11.90 per share. The tender offer was initiated on April 22, 2009, and on May 20, 2009 Belk accepted for purchase 241,664 shares of stock for \$2.9 million.

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**About Belk, Inc.**

Charlotte, N.C.-based Belk, Inc. is the nation's largest privately owned mainline department store company with 308 Belk stores in 16 Southern states. It was founded in 1888 by William Henry Belk in Monroe, N.C. and is in the third generation of Belk family leadership.

**Notes:**

To provide clarity in measuring Belk's financial performance, Belk supplements the reporting of its consolidated financial information under generally accepted accounting principles (GAAP) with the non-GAAP financial measure of "net income excluding non-comparable items." Belk believes that "net income excluding non-comparable items" is a financial measure that emphasizes the Company's core ongoing operations and enables investors to focus on period-over-period operating performance. It is among the primary indicators Belk uses in planning and operating the business and forecasting future periods, and Belk believes this measure is an important indicator of recurring operations because it excludes items that may not be indicative of or are unrelated to core operating results.

Belk also excludes such items in connection with evaluating company performance in connection with its incentive compensation plans. In addition, this measure provides a better baseline for modeling future earnings expectations and makes it easier to compare Belk's results with other companies that operate in the same industry. Net income is the most directly comparable GAAP measure. The non-GAAP measure of "net income excluding non-comparable items" should not be considered in isolation or as a substitute for GAAP net income.

Certain statements made in this news release are "forward-looking statements" within the meaning of the federal securities laws. Statements regarding future events and developments and the Company's future performance, as well as our expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements within the meaning of these laws. You can identify these forward-looking statements through our use of words such as "may," "will," "intend," "project," "expect," "anticipate," "believe," "estimate," "continue," or other similar words. Certain risks and uncertainties that may cause our actual results to differ significantly from the results we discuss in our forward-looking statements include, but are not limited to: general, economic, political and business conditions, nationally and in our market areas; unseasonable and extreme weather conditions in our market areas; the income received from GE, the operator of our private label credit card business; our ability to correctly anticipate appropriate inventory levels during the year; the efficient and effective operation of our distribution network and information systems to manage sales, distribution, merchandise planning and allocation functions; our ability to execute growth and expansion plans; our ability to successfully integrate the Parisian department stores acquired from Saks Incorporated; our ability to integrate and operate our in-house fine jewelry business; our ability to successfully expand and operate our Belk.com website; changes in buying, charging and payment behavior among our customers; changes in the competitive environment of the department store and broader retail industry; the effectiveness of our merchandising and sales promotion strategies; seasonal fluctuations in sales and net income; our ability to manage the Company's expense structure; and our ability to comply with debt covenants which could adversely affect our capital resources, financial condition and liquidity.

For additional information on these and other risk factors, see the section captioned "This Report Contains Forward-Looking Statements" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2009 and in other filings with the Securities and Exchange Commission. We believe these forward-looking statements are reasonable. However, you should not place undue reliance on such statements. We undertake no obligation to publicly update or revise any forward-looking statement, even if future events or new information may impact the validity of such statements.

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**BELK, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(unaudited)**

	<b>Thirteen Weeks Ended</b>	
	May 2, 2009	May 3, 2008
	(millions)	
Revenues	\$ 760.9	\$ 817.3
Cost of goods sold (including occupancy, distribution and buying expenses)	532.1	558.2
Selling, general and administrative expenses	215.3	239.3
Gain on sale of property and equipment	0.3	1.0
Asset impairment and exit costs	0.4	0.6
Operating income	<u>13.4</u>	<u>20.2</u>
Interest expense, net	(12.6)	(13.3)
Gain on investments	-	0.9
Income before income taxes	<u>0.8</u>	<u>7.8</u>
Income tax expense	0.3	2.7
Net income	<u><u>\$ 0.5</u></u>	<u><u>\$ 5.1</u></u>

**BELK, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME AND**  
**NET INCOME EXCLUDING NON-COMPARABLE ITEMS**  
**(unaudited)**

	<b>Thirteen Weeks Ended</b>	
	May 2, 2009	May 3, 2008
	(millions)	
Net income	\$ 0.5	\$ 5.1
Gain on sale of property and equipment, net of income tax	(0.2)	(0.6)
Asset impairment and exit costs, net of income tax	0.3	0.4
Gain on investments, net of income tax	-	(0.6)
Net income excluding non-comparable items	<u><u>\$ 0.6</u></u>	<u><u>\$ 4.3</u></u>