

## notes to consolidated financial statements

The changes in the carrying amount of our intangible assets for the year ended January 31, 2004 and 2003 are as follows:

	Retail Stores Segment		Catalog/ Internet Segment	Total
	Goodwill	Tradename	Goodwill	
<b>February 1, 2002</b>	<b>\$38,198</b>	<b>\$100,133</b>	<b>\$—</b>	<b>\$138,331</b>
Impairment	(5,767)	(16,133)	—	(21,900)
Goodwill acquired				
through purchase of				
minority interest				
[see Note 20]	8,462	—	15,716	24,178
<b>January 31, 2004 and 2003</b>	<b>\$40,893</b>	<b>\$84,000</b>	<b>\$15,716</b>	<b>\$140,609</b>

The following table shows the actual results of operations as well as pro-forma results adjusted to exclude intangible amortization and the cumulative effect of the accounting change.

<b>Fiscal Year</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Reported net earnings	<b>\$242,841</b>	\$90,224	\$124,688
Intangible amortization, net of tax	—	—	2,824
Cumulative effect of the			
accounting change,			
net of tax	—	13,359	—
<b>Adjusted net earnings</b>	<b>\$242,841</b>	<b>\$103,583</b>	<b>\$127,512</b>

Basic and diluted earnings per share:

<b>Fiscal Year</b>	<b>2003</b>		<b>2002</b>		<b>2001</b>
Earnings per share:					
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>	<u>Basic &amp; Diluted</u>
Reported net earnings	<b>\$1.78</b>	<b>\$1.76</b>	\$0.67	\$0.66	\$0.93
Intangible amortization,					
net of tax	—	—	—	—	0.02
Cumulative effect of					
accounting change,					
net of tax	—	—	0.10	0.10	—
<b>Adjusted net earnings</b>	<b>\$1.78</b>	<b>\$1.76</b>	<b>\$0.77</b>	<b>\$0.76</b>	<b>\$0.95</b>

Before adoption of SFAS No. 142, we amortized our intangible assets over their estimated useful lives on a straight-line basis ranging from 10 to 35 years. Accumulated amortization of intangible assets was \$5,881 as of January 31, 2004 and 2003.

### Note 3: Employee Benefits

We provide a profit sharing plan and 401(k) plan for our employees. The profit sharing plan is non-contributory and is fully funded by us. The Board of Directors establishes our contribution to the profit sharing plan each year. The 401(k) plan is funded by voluntary employee contributions. In addition, we provide matching contributions up to a stipulated percentage of employee contributions. Our contributions to the profit sharing plan and matching contributions to the 401(k) plan totaled \$52,030, \$35,162 and \$28,525 in 2003, 2002 and 2001.

### Note 4: Postretirement Benefits

We have an unfunded Supplemental Executive Retirement Plan ("SERP"), which provides retirement benefits to certain officers and select employees. During 2003, the SERP was amended to change the target benefit, provide transition benefits, eliminate the offset of our contributions to the 401(k) and profit sharing plans and increase the retirement age. Certain grandfathered participants will remain under the previous plan provisions.

The following provides a reconciliation of benefit obligations and funded status of the SERP:

<b>January 31,</b>	<b>2004</b>	<b>2003</b>
Change in benefit obligation:		
Accumulated benefit obligation		
at beginning of year	<b>\$47,573</b>	\$34,411
Service cost	<b>819</b>	1,447
Interest cost	<b>3,420</b>	3,537
Amortization of adjustments	<b>1,444</b>	2,941
Change in additional minimum liability	<b>9,046</b>	7,760
Distributions	<b>(2,689)</b>	(2,523)
Accumulated benefit obligation		
at end of year	<b>\$59,613</b>	\$47,573
Funded status of plan:		
Under funded status	<b>\$(64,870)</b>	\$(50,125)
Unrecognized prior service cost	<b>6,228</b>	3,805
Unrecognized loss	<b>24,403</b>	15,074
Accrued pension cost	<b>\$(34,239)</b>	\$(31,246)
Balance sheet amounts:		
Additional minimum liability	<b>\$(25,373)</b>	\$(16,327)
Intangible asset	<b>6,228</b>	3,805