	Fiscal 2013	Fiscal 2012	Fiscal 2011
Revenues:			
Net retail sales	**98.4%**	98.3%	98.1%
Franchise fees	**0.9**	0.9	0.9
Commercial revenues	**0.6**	0.7	1.0
Total revenues	**100.0**	100.0	100.0
Costs and expenses:			
Cost of merchandise sold [1]	**58.8**	61.0	59.9
Selling, general, and administrative	**42.4**	43.4	41.3
Goodwill impairment	**-**	8.8	-
Interest expense (income), net	**(0.1)**	0.0	(0.0)
Total costs and expenses	**100.6**	112.7	100.7
Loss before income taxes	**(0.6)**	(12.7)	(0.7)
Income tax expense (benefit)	**(0.0)**	0.2	3.7
Net loss	**(0.6)**	(12.9)	(4.3)
Retail gross margin (%) [2]	**41.1%**	38.9%	39.9%

(1) *Cost of merchandise sold is expressed as a percentage of net*

(2) *Retail gross margin represents net retail sales less cost of retail merchandise sold, which excludes cost of wholesale merchandise sold. Retail gross margin was $153.5 million, $145.7 million and $154.5 million in 2013, 2012 and 2011, respectively. Retail gross margin percentage represents retail gross margin divided by net retail sales.*

Fiscal Year Ended December 28, 2013 (52 weeks) Compared to Fiscal Year Ended December 29, 2012 (52 weeks)

Total revenues. Net retail sales were $373.2 million for fiscal 2013, compared to $374.6 million for fiscal 2012, a decrease of $1.4 million. The components of this decrease are as follows:

(dollars in millions)		Fiscal 2013
Impact of store closures	$	**(21.7)**
Increase in comparable store sales		**16.3**
Increase in non-comparable stores, primarily remodels and relocations		**4.3**
Increase from new stores		**1.3**
Change in deferred revenue estimate		**(0.7)**
Increase from non-traditional locations, including web sales		**0.2**
Impact of foreign currency translation		**(1.1)**
	$	**(1.4)**

Revenue from international franchise fees were $3.6 million for fiscal 2013 and fiscal 2012. Commercial revenue was $2.3 million in fiscal 2013 compared to $2.8 million in fiscal 2012, a decrease of $0.5 million. This decrease was primarily due to an overall decrease in licensing activity in 2013.

Gross margin. Total gross margin, calculated as net retail sales and commercial revenues less cost of merchandise sold, was $154.8 million for fiscal 2013 compared to $147.2 million for fiscal 2012, an increase of $7.6 million, or 5.2%. Retail gross margin increased to $153.5 million in fiscal 2013 compared to $145.7 million in fiscal 2012, an increase of $7.8 million, or 5.4%. As a percentage of net retail sales, retail gross margin increased to 41.1% for fiscal 2013 from 38.9% for fiscal 2012, an increase of 220 basis points as a percentage of net retail sales (bps). This improvement in margin was primarily attributable to 160 basis points in improved leverage on fixed occupancy costs and a 60 basis point improvement in merchandise margin driven primarily by an increase in average transaction value.

Selling, general and administrative. Selling, general and administrative expenses were $160.7 million for fiscal 2013 as compared to $165.5 million for fiscal 2012, a decrease of $4.8 million, or 2.9%. As a percentage of total revenues, selling, general and administrative expenses were 42.4% for fiscal 2013, compared to 43.4% in fiscal 2012. Fiscal 2013 included $5.3 million in management transition, store closing and asset impairment expenses, compared to $2.7 million in store closing and asset impairment expenses in fiscal 2012. Excluding these costs in both periods, selling, general and administrative expenses improved 170 basis points to 41.0% of total revenues in fiscal 2013. This improvement was driven by reduced store payroll, other store expenses and corporate overhead, partially offset by increases in corporate payroll primarily related to bonus.

Interest expense (income), net. Interest income, net of interest expense, was $0.3 million for fiscal 2013 compared to $3,000 of expense for fiscal 2012.

Provision for income taxes. Income tax benefit $6,000 in fiscal 2013 compared to expense of $0.9 million in fiscal 2012. The effective rate was 0.3% in 2013 and (1.8)% in 2012. The fluctuation in the effective rate was primarily attributable to benefits resulting from the favorable resolution of tax matters, the expiration of statutes in various jurisdictions, and favorable adjustments from the filing of amended tax returns.