

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

computed by dividing net income by the weighted average number of shares and dilutive potential shares outstanding. Dilutive potential shares include all outstanding stock options and unvested restricted stock after applying the treasury stock method.

NOTE 2 – BALANCE SHEET COMPONENTS

Intangibles, Net

Intangibles, net, as of January 29, 2005 and January 31, 2004 consist of the following:

	January 29, 2005	January 31, 2004
Non-competition agreements	\$ 6,398	\$ 6,398
Accumulated amortization	(3,475)	(2,685)
Non-competition agreements, net	2,923	3,713
Favorable lease rights	9,034	2,189
Accumulated amortization	(1,567)	(806)
Favorable lease rights, net	7,467	1,383
Goodwill	130,271	130,271
Accumulated amortization	(11,629)	(11,629)
Goodwill, net	118,642	118,642
Total intangibles, net	\$ 129,032	\$123,738

Non-Competition Agreements

The Company issued stock options to certain former shareholders of an acquired entity in exchange for non-competition agreements and a consulting agreement. These assets are being amortized over the legal term of the individual agreements. A portion of these agreements was amortized over five years and as of January 29, 2005, these are fully amortized. One remaining agreement is being amortized over a 10-year period. In addition, in 2003, the Company entered into non-competition agreements with former executives of Greenbacks, Inc. which are being amortized over five years (see Note 10).

Favorable Lease Rights

In 2004 and 2002, the Company acquired favorable lease rights for operating leases for retail locations from third parties. In addition, in 2003, the Company acquired favorable lease rights in its acquisition of Greenbacks, Inc. (see Note 10). The Company's favorable lease rights are amortized on a straight-line basis to rent expense over the remaining initial lease terms, which expire at various

dates through 2016.

Amortization expense related to the non-competition agreements and favorable lease rights was \$1,551, \$1,300, \$40 and \$746 for the years ended January 29, 2005 and January 31, 2004, the one-month period ended February 1, 2003 and the year ended December 31, 2002, respectively. Estimated annual amortization expense for the next five years follows: 2005 - \$2,617; 2006 - \$2,508; 2007 - \$2,470; 2008 - \$1,253; and 2009 - \$477.

Goodwill

In accordance with SFAS No. 142, goodwill is no longer being amortized, but is tested at least annually for impairment. In addition, goodwill will be tested on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. The Company performed its annual impairment testing in November 2004 and determined that no impairment loss existed.

Property, Plant and Equipment, Net

Property, plant and equipment, net, as of January 29, 2005 and January 31, 2004 consists of the following:

	January 29, 2005	January 31, 2004
Land	\$ 28,867	\$ 16,807
Buildings	171,980	105,558
Improvements	348,561	288,189
Furniture, fixtures and equipment	549,051	441,259
Transportation vehicles	1,868	3,492
Construction in progress	20,352	107,703
Total property, plant and equipment	1,120,679	963,008
Less: accumulated depreciation and amortization	435,293	328,581
Total property, plant and equipment, net	\$ 685,386	\$634,427