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## Coldwater Creek Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) And we will go first to Michelle Tan with Goldman Sachs. Ms. Tan, your line is open.

#### Michelle Tan – Goldman Sachs

Hi, sorry about that. Love the mute button. So I just had a couple of questions. I guess the first one will be any update you can give us as you've seen the August product hit on how business has been tracking so far month to-date?

#### Daniel Griesemer

We've said that we see a very challenging macro environment and I think you've heard it from a lot of our peers, lot of other retailers that the current environment is very challenging. We really need to see and get into September is when our natural selling season is. We don't have a back-to-school customer. She really turns to fall – updating her fall wardrobe in September. It's always been that way. But we are very pleased at the way our product looks, the way the stores look, how we differentiated ourselves from the field out there, and we need to really get into September to see it.

#### Michelle Tan – Goldman Sachs

Okay, great. Any product call outs I guess even if it's too early to look at the overall trend for August?

#### Georgia Shonk-Simmons

Yes, I would say, Michelle, that what we're seeing is prints, prints, prints. Our print jackets, our print T-shirts, prints are really resonating with her along with again, our lighter weight Holly fit pants.

#### Michelle Tan – Goldman Sachs

And then in terms of regional performance, anything there to highlight, we've heard about obviously, the challenges in Florida, are you seeing any change, any trend, as you look at the business on a regional basis so at least maybe getting less negative in certain parts of the country?

#### Daniel Griesemer

No, I would say there is – I've seen a slightly better performance out of the Midwest, but I would step back and say a 50,000 feet, it's a national view relatively consistent across all regions.

**Michelle Tan – Goldman Sachs**

Great. And then on the direct business, and the decline that you saw there, was it within – obviously you hit your sales guidance. Was the decline within the realm of your expectations and then any kind of color you can give us on web traffic versus conversion?

**Daniel Griesemer**

The direct business delivered what we anticipated it would deliver largely due to reduced catalog circulation, reduced promotions and reduced disposition activity. That's really the key there. That's what the story and take away is on the direct business.

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