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Steven Madden, Ltd., Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator Instructions). We will take our first question from Mr. Jeff Van Sinderen with B. Riley. Please go ahead sir. Your line is open. Mr. Van Sinderen, your line is open.

Due to no response, we will move to our next question. Our next question comes from Mr. Sam Poser with Sterne, Agee. Please go ahead your line is open.

Sam Poser - Sterne, Agee & Leach

Good morning, Ed.

Ed Rosenfeld

Good morning, Sam.

Sam Poser - Sterne, Agee & Leach

Just a couple of questions. One, can you give us the inventory by wholesale and retail and if you gave both, if you split it or not?

Ed Rosenfeld

Sure. Retail was up from \$12.5 million a year ago, to \$15.4 million this year. And wholesale \$14.7 million a year ago, up to \$16.2 million this year. If I can just talk about that for a moment.

Sam Poser - Sterne, Agee & Leach

14 from?

Ed Rosenfeld

14.7, Q4 '07 to 16.2, Q4 '08 in wholesale.

Sam Poser - Sterne, Agee & Leach

Correct.

Ed Rosenfeld

So, you can see that the majority of the increase came from retail about \$2.9 million, about \$4.3 million overall increase came from retail and that was really driven by conscious decision on our part to change the flow of receipts versus a year ago. We really felt that we missed out on sales in January last year due to not having enough inventory particularly in the boot category. And with boot strong again we decided that this year we were going to bring in more receipts in December and January and fewer receipts in February and March and this is a strategy that we feel has paid off quarter-to-date.

Through today or through yesterday our comps in the retail stores are up 8% year-over-year based in large part on bringing this inventory particularly the boots in. So, we feel pretty good about that.

On the wholesale side there are really two factors, one was changed in order patterns from our customers versus a year ago our orders for January were up year-over-year and orders for February were down and we attribute this again to the strength of boots this year. People wanted to bring in additional boots, but when customers want to bring in boots in first quarter they are going to obviously want to bring them in a January as oppose to February.

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