

## Burlington Announces Second Quarter and Year-To-Date Fiscal 2013 Operating Results

Written by Australian Business

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BURLINGTON, N.J.--( [BUSINESS WIRE](#) )--Burlington Coat Factory Investments Holdings, Inc. and its operating subsidiaries (the Company), a nationwide retailer based in Burlington, New Jersey, today announced its results for the second quarter and year to date ended August 3, 2013.

“We are proud of our second quarter results including our 68.1% increase in Adjusted EBITDA during the quarter, 11.5% overall sales growth and, most importantly, our 7.8% comparative store sales increase. I would like to thank our store and corporate teams for contributing to these results.”

### Second Quarter Fiscal 2013 Operating Results

Comparative store sales increased 7.8% and total net sales increased 11.5% to \$963.7 million for the three months ended August 3, 2013 compared with last year.

Adjusted EBITDA for the three months ended August 3, 2013 increased 68.1%, or \$19.0 million, to \$46.9 million compared with \$27.9 million for the three months ended July 28, 2012. The increase in the Company’s Adjusted EBITDA was driven by our 11.5% total sales increase and a 60 basis point increase in gross margin rate.

Adjusted Net Loss improved \$13.9 million during this year’s second quarter to a loss of \$8.0 million. This improvement was driven by improved operating results during this year’s quarter, primarily our 7.8% comparative store sales gain and the gross margin rate increase.

### Year to Date Fiscal 2013 Operating Results

Comparative store sales increased 5.5% and total net sales increased 9.9% to \$2,028.7 million for the six months ended August 3, 2013 compared with last year.

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Adjusted EBITDA increased 36.5%, or \$33.8 million, to \$126.5 million for the six months ended August 3, 2013 compared with last year. The increase was driven by the sales improvement realized during the quarter and a 50 basis point improvement in gross margin rate.

Adjusted Net Income amounted to \$3.0 million for the six months period versus a \$21.1 million Adjusted Net Loss last year. The improvement is reflective of our sales and margin gains.

Tom Kingsbury, President and Chief Executive Officer stated, "We are proud of our second quarter results including our 68.1% increase in Adjusted EBITDA during the quarter, 11.5% overall sales growth and, most importantly, our 7.8% comparative store sales increase. I would like to thank our store and corporate teams for contributing to these results."

### Second Quarter Fiscal 2013 Conference Call

The Company will hold a conference call for investors on Friday, September 13, 2013 at 10:00 am Eastern Time to discuss the Company's second quarter 2013 operating results. Due to the quiet period associated with the Form S-1 filing by Burlington Stores, Inc. (f/k/a Burlington Holdings, Inc.), the indirect parent of the Company, there will not be a question and answer session at the end of the conference call.

To listen to the conference call, please dial 1-877-407-0789. The conference call will be recorded and available for replay beginning at 1:00pm on September 13, 2013 and will be available through September 14, 2013. To access the replay, please dial 1-877-870-5176, then the access number, 10000261. Additionally, a replay of the call will be available for 30 days on the Company's website ( [www.burlingtoncoatfactory.com](http://www.burlingtoncoatfactory.com) ).

### About Burlington Coat Factory

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Burlington Coat Factory is a nationally recognized retailer of high-quality, branded apparel at everyday low prices. The Company currently serves its customers through its 503 stores in 44 states and Puerto Rico. For more information about Burlington Coat Factory, visit our website at [www.burlingtoncoatfactory.com](http://www.burlingtoncoatfactory.com).

### Safe Harbor for Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized. The following factors, among others, could cause actual results to differ materially from those expressed or implied in any such forward-looking statements: competition in the retail industry, seasonality of our business, adverse weather conditions, changes in consumer preferences and consumer spending patterns, import risks, inflation, general economic conditions, our ability to implement our strategy, our substantial level of indebtedness and related debt-service obligations, restrictions imposed by covenants in our debt agreements, availability of adequate financing, our dependence on vendors for our merchandise, events affecting the delivery of merchandise to our stores, existence of adverse litigation and risks, availability of desirable locations on suitable terms, and other factors that may be described from time to time in our filings with the Securities and Exchange Commission (SEC). For any of these factors, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended.

**BURLINGTON COAT FACTORY INVESTMENTS HOLDINGS, INC. AND**

**SUBSIDIARIES CO**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

**(Unaudited)**

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**(All amounts in thousands)**

	<b>Six Months Ended</b>	<b>Three Months Ended</b>
<b>August 3,</b>	<b>2013</b>	<b>July 28,</b>
<b>REVENUES:</b>		
Net Sales	\$ 2,028,724	\$
Other Revenue	15,745	
<b>Total Revenue</b>	<b>2,044,469</b>	<b>1,861,696</b>
<b>COSTS AND EXPENSES:</b>		
Cost of Sales (Exclusive of Depreciation and Amortization)	1,267,978	1,163,434
Selling and Administrative Expenses	654,461	610,233
Costs Related to Debt Amendments	11,457	3,094

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Stock Option Modification Expense	7,263	-
Restructuring and Separation Costs	2,179	1,806
Depreciation and Amortization	85,239	79,903
Impairment Charges – Long-Lived Assets	39	78
Other Income, Net	(4,605)	(4,415)
	(2,113)	
Loss on Extinguishment of Debt	617	3,413
Interest Expense (Inclusive of Gain (Loss) on Interest Rate Cap Agreements)	51,140	
<b>Total Costs and Expenses</b>	<b>2,075,863</b>	<b>1,914,654</b>
<b>Loss Before Income Tax Benefit</b>	<b>(31,394)</b>	<b>(52,958)</b>
	(47,301)	

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Income Tax Benefit (11,169)

(16,044)

**Net Loss** \$ (20,225)

\$

(31,257)

**Total Comprehensive Loss**

\$

(20,225)

\$

(35,197)

\$

(19,523)

\$

(31,257)

## Adjusted EBITDA and Adjusted Net Income (Loss)

The following tables calculate the Company's Adjusted Net Income (Loss) and Adjusted EBITDA, both of which are considered Non-GAAP financial measures. Generally, a Non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP.

Adjusted EBITDA is defined as consolidated net income (loss) for the period plus (i) net interest expense, (ii) loss on the extinguishment of debt, (iii) income tax provision (benefit), (iv) depreciation and amortization, (v) impairment charges, (vi) costs related to debt amendments, (vii) stock option modification expense and (viii) advisory fees.

Adjusted Net Income (Loss) is defined as consolidated net income (loss) for the period plus (i) net favorable lease amortization, (ii) costs related to debt amendments, (iii) loss on the extinguishment of debt, (iv) impairment charges, (v) advisory fees and (vi) stock option modification expense, all of which are tax effected to arrive at Adjusted Net Income (Loss).

The Company presents Adjusted Net Income (Loss) and Adjusted EBITDA because it

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believes they are useful supplemental measures in evaluating the performance of the business and provide greater transparency into the results of operations. In particular, the Company believes that excluding certain items that may vary substantially in frequency and magnitude from operating income are useful supplemental measures that assist in evaluating the Company's ability to generate earnings and leverage sales, respectively, and to more readily compare these metrics between past and future periods.

The Company believes that Adjusted EBITDA and Adjusted Net Income (Loss) provide investors helpful information with respect to the Company's operations and financial condition. Other companies in the retail industry may calculate these non-GAAP measures differently such that the Company's calculation may not be directly comparable. The adjustments to these metrics are not in accordance with regulations adopted by the SEC that apply to periodic reports presented under the Exchange Act. Accordingly, Adjusted EBITDA and Adjusted Net Income (Loss) may be presented differently in filings made with the SEC than as presented in this report or not presented at all.

**EBITDA and Adjusted EBITDA are calculated as follows (amounts in thousands):**

	<b>Six Months Ended</b>	<b>Three Months Ended</b>
<b>August 3,</b>	<b>2013</b>	
<b>July 28,</b>	<b>2012</b>	
<b>August 3,</b>	<b>2013</b>	
<b>July 28,</b>	<b>2012</b>	

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Net Loss	\$	(20,225	)
Interest Expense, Net	50,975		57,062
Income Tax Benefit	(11,169	)	
Depreciation and Amortization	85,239		79,903
EBITDA	\$	104,820	
Loss on Extinguishment of Debt (a)	617		3,413
Costs Related to Debt Amendments (b)	11,457		3,094
Stock Option Modification Expense (c)	7,263		-

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Advisory Fees (d)	2,175	2,085
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Impairment (e)	139	
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<b>Adjusted EBITDA</b>	<b>\$</b>	<b>126,471</b>
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- (a) Represents losses incurred in accordance with ASC Topic No
- (b) Primarily related to advisory and professional fees associated
- (c) Represents both cash and non-cash expenses incurred as a r
- (d) Represents the annual advisory fee of Bain Capital expensed
- (e) Represents Impairment Charges on Long Lived Assets.

**Adjusted Net Income is calculated as follows (amounts in thousands):**

**Six Months Ended**

**Three Months Ended**

**August 3, 2013**

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**July 28, 2012**

**August 3, 2013**

**July 28, 2012**

Net Loss \$ (20,225 )

Net Favorable Lease Amortization (a) 15,665 14,195

Costs Related to Debt Amendments (b) 11,457 3,094

Stock Option Modification Expense (c) 7,263 -

Loss on Extinguishment of Debt (d) 617 3,413

Impairment Charges (e) 139 78

Advisory Fees (f) 2,175 2,085

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Tax Effect (g) (14,106 )

**Adjusted Net Income (Loss)** \$ 2,985

(a)

Net favorable lease amortization represents the non-cash

(b)

Primarily related to advisory and professional fees associated

(c)

Represents both cash and non-cash expenses incurred as a r

(d)

Represents losses incurred in accordance with ASC Topic No

(e)

Represents Impairment Charges on Long Lived Assets.

(f)

Represents the annual advisory fee of Bain Capital expensed

(g)

Tax effect is calculated based on the effective tax rates (befor