

**Coldwater Creek (CWTR) Divisional Operating Profitability**

28-Feb-10

	2004	2005	2006	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
<b>Direct Channel Sales</b>	\$294,083	\$325,125	\$390,441	\$376,390	\$84,234	\$52,077	\$53,052	\$83,527	\$272,890	\$57,657	\$41,798	\$59,360		
Contribution	\$59,655	\$71,600	\$98,595	\$55,878	\$16,486	\$10,669	\$8,468	\$6,485	\$42,108	\$10,112	\$8,495	\$13,411		
Contribution Margin %	20.29%	22.02%	25.25%	14.85%	19.57%	20.49%	15.96%	7.76%	15.43%	17.54%	20.32%	22.59%		
Bps Change	Higher 516 Bps	Higher 173 Bps	Higher 323 Bps	Lower 1,040 Bps	Lower 555 Bps	Lower 315 Bps	Higher 118 Bps	Higher 676 Bps	Higher 58 Bps	Lower 203 Bps	Lower 17 Bps	Higher 663 Bps		
Sales Growth %	-9.3%	10.6%	20.1%	-3.6%	-12.6%	-31.3%	-37.5%	-30.0%	-27.5%	-31.6%	-19.7%	11.9%		
<b>Retail Channel Sales</b>	\$296,227	\$454,538	\$664,170	\$775,082	\$186,871	\$189,357	\$175,421	\$199,702	\$751,351	\$170,710	\$183,394	\$207,298		
Contribution	\$51,604	\$82,783	\$107,566	\$76,585	\$2,605	\$25,793	\$15,835	(\$12,385)	\$31,848	\$3,356	\$12,844	\$16,252		
Contribution Margin %	17.42%	18.21%	16.20%	9.88%	1.39%	13.62%	9.03%	-6.20%	4.24%	1.97%	7.00%	7.84%		
Bps Change	Higher 589 Bps	Higher 79 Bps	Lower 201 Bps	Lower 632 Bps	Lower 1,649 Bps	Lower 212 Bps	Higher 94 Bps	Lower 702 Bps	Lower 583 Bps	Higher 58 Bps	Lower 662 Bps	Lower 119 Bps		
Sales Growth %	52.2%	53.4%	46.1%	16.7%	1.1%	6.6%	-5.8%	-11.7%	-3.1%	-8.6%	-3.1%	18.2%		
<b>Direct &amp; Retail Sales</b>	\$590,310	\$779,663	\$1,054,611	\$1,151,472	\$271,105	\$241,434	\$228,473	\$283,229	\$1,024,241	\$228,367	\$225,192	\$266,658		
Contribution	\$111,259	\$154,383	\$206,161	\$132,463	\$19,091	\$36,462	\$24,303	(\$5,900)	\$73,956	\$13,468	\$21,339	\$29,663		
Contribution Margin %	18.85%	19.80%	19.55%	11.50%	7.04%	15.10%	10.64%	-2.08%	7.22%	5.90%	9.48%	11.12%		
Bps Change	Higher 507 Bps	Higher 95 Bps	Lower 25 Bps	Lower 805 Bps	Lower 1,332 Bps	Lower 306 Bps	Higher 46 Bps	Lower 296 Bps	Lower 442 Bps	Lower 114 Bps	Lower 562 Bps	Higher 48 Bps		
Sales Growth %	13.8%	32.1%	35.3%	9.2%	-3.6%	-4.8%	-15.7%	-18.0%	-11.0%	-15.8%	-6.7%	16.7%		
<b>Corporate &amp; Other Costs</b>	(\$63,475)	(\$88,663)	(\$122,266)	(\$143,132)	(\$34,097)	(\$29,264)	(\$26,954)	(\$28,401)	(\$118,716)	(\$25,080)	(\$28,372)	(\$34,726)		
Contribution Margin %	-10.75%	-11.57%	-11.59%	-12.43%	-12.58%	-12.12%	-11.80%	-10.03%	-11.59%	-10.98%	-12.60%	-13.02%		
Bps Change	Higher 88 Bps	Higher 62 Bps	Higher 22 Bps	Higher 84 Bps	Lower 147 Bps	Lower 69 Bps	Lower 219 Bps	Higher 42 Bps	Lower 84 Bps	Lower 160 Bps	Higher 38 Bps	Higher 122 Bps		
Corp & Other Growth %		39.7%	37.9%	17.1%	-13.7%	-9.9%	-29.0%	-14.4%	-17.1%	-26.4%	-3.0%	28.8%		
<b>Total Co. Oper Income</b>	\$47,784	\$65,720	\$83,895	(\$10,669)	(\$15,006)	\$7,198	(\$2,651)	(\$34,301)	(\$44,760)	(\$11,612)	(\$7,033)	(\$5,063)		
<b>Operating Margin %</b>	8.09%	8.43%	7.96%	-0.93%	-5.54%	2.98%	-1.16%	-12.11%	-4.37%	-5.08%	-3.12%	-1.90%		

\*Note: Italics indicate TRG estimates. Amounts above per company reports. Amounts in thousands (000) except store count and SSF.

CWTR includes national magazine advertising in the "Corporate & Other" division. Despite the large increase in national magazine advertising in FY 2006 (remember, included in Corporate & Other), the retail channel saw a severe decline in operating profitability.

Q2 2008 excludes a \$1.452 million charge in the Retail Channel for store impairment.  
Q3 2009 excludes a \$6.000 million charge for ex-CEO severance.