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Business

Shops \$pring forward Early Easter gives retail a real boost in March

By James Covert

Retailers posted big increases in March sales, a signal that shoppers are regaining confidence as the job market slowly improves.



Steep gains across the industry, from Target to Macy's to Neiman Marcus, helped drive some of the biggest monthly sales increases seen during the past decade, according to several firms that track retail figures.

"It's definitely a sign there's life," said **Faith Hope Consolo**, *Chairman of Retail Leasing at Prudential Douglas Elliman*. "Shoppers are still watching their dollars, but they're back out and they're in the stores."

Major retail chains had a collective increase of 8.7 percent in same-store sales, or sales at stores open a year or more, according to Retail Metrics. It wasn't hard to beat last March's sales, which were down 4.8 percent. Stores also benefited from an early Easter that will steal some thunder from April's results.

Nevertheless, industry experts said consumer spending appears to be on the mend. Bouts of warm weather helped free pent-up demand for spring fashions following a lackluster holiday season.

In many cases, shoppers appeared to be willing to pay full price for clothing, which was the strongest-performing category for the month. Major chains including Target, J.C. Penney, TJX and Kohl's raised their first-quarter profit forecasts.

That's partly because margins have widened as retailers have kept inventories lean. The mall-based specialty chains Gap and Limited will likely beat Wall Street's first-quarter earnings outlook, according to Credit Suisse analyst Paul Lejuez.

"We believe both stocks will continue to work," Lejuez said of Gap and Limited.

Luxury stores continued to lead the sales rebound, as well-heeled shoppers have grown tired of being frugal. Saks said its same-store sales surged nearly 13 percent, while Neiman Marcus - which also owns Bergdorf Goodman - recorded a 9.2 percent gain.

Mainstream department stores, which have been hit harder than most by the economic doldrums, also reported impressive sales gains.

Macy's said its same-store sales rose 10.8 percent, beating out Wall Street's forecast for an 8-percent increase.

Still, there were a few disappointments. Abercrombie & Fitch's 5-percent increase fell short of Wall Street's expectation for a 6.6-percent gain. The teen retailer's shares fell 64 cents, or 1.4 percent, yesterday, closing at \$46.90.

james.covert@nypost.com