



Belk, Inc. Fact Sheet & History

Type of Stores: Belk, Inc. is the nation's largest privately-owned mainline department store company with 305 stores located in 16 Southern states.

Belk, Inc. Revenues for Fiscal Year Ended Jan. 30, 2010: \$3.35 billion

History: William Henry Belk founded the first store in Monroe, N.C., on May 29, 1888.

Ownership/Leadership: The children and other descendants of company founder William Henry Belk and his brother and partner, Dr. John M. Belk, own the majority of Belk, Inc. stock. **Thomas M. (Tim) Belk, Jr.** is chairman and chief executive officer of Belk, Inc., **John R. (Johnny) Belk** is president and chief operating officer, and **H.W. McKay Belk** (currently on sabbatical) is vice chairman. They are sons of the late **Thomas M. Belk** and nephews of the late **John M. Belk**. Tom Belk and John Belk were sons of company founder William Henry Belk and together served at the helm of the company for more than 50 years. **Kathryn Bufano** is Belk, Inc. president and chief merchandising officer.

Locations: 16 states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

Operating Divisions: The Belk stores are organized into three operating divisions:

Northern Division, Raleigh, N.C.

Bill Roberts, Chair
Brian Eaddy, SVP & Director of Stores

Western Division, Birmingham, Ala.

Jan Clevenger, Chair
Gary Siler, SVP & Director of Stores

Southern Division, Atlanta, Ga.

David Penrod, Chair

Acquisitions: Proffitt's/McRae's: Belk acquired the Proffitt's and McRae's department stores from Saks Incorporated in July 2005 and re-opened 38 of the stores under the Belk name in spring 2006.

Parisian: In October 2006, Belk acquired the Parisian department stores from Saks and celebrated the grand opening of 25 of the stores as Belk in September 2007. **Fine Jewelry:** Belk purchased the assets of Migerobe, Inc., in July 2006, and established a fine jewelry division at its corporate headquarters in Charlotte to oversee the operation of Belk and Co. Fine Jewelers shops in more than 150 stores.

Store Size: Belk store sizes are tailored to meet the needs of the local markets they serve. Stores range in size from 40,000 to 300,000 square feet of space, with an average size of approximately 92,000 square feet. Most new Belk stores range in size from 60,000 to 90,000 square feet and are anchor tenants in high-traffic, open-air shopping centers. The total combined selling space of all stores is approximately 23.4 million square feet.

Employees: Belk employs approximately 23,000 associates in its stores, corporate and division offices and distribution centers.

Distribution Centers: Belk operates a 371,000-square-foot distribution center in Blythewood, S.C., a 174,000-square-foot distribution center in Byram, Miss. (near Jackson), and a 144,000-square-foot eCommerce fulfillment center in Pineville, N.C.

New Stores and Store Expansions: The newest Belk store opened on March 10, 2010 at The Pavilion at Port Orange in Port Orange, Fla. Three major store remodeling projects are scheduled for completion on October 13, 2010 at Belk of Turtle Creek Mall in Hattiesburg, Miss., Belk of Hamilton Place Mall in Chattanooga, Tenn. and Belk of University Mall in Tuscaloosa, Ala.

Merchandise Offerings: Belk stores are leading distributors of many of the nation's top fashion designer and national brands of cosmetics, apparel, accessories, shoes and home furnishings including Estée Lauder, Clinique, Lancôme, Jones New York, Polo Ralph Lauren, Calvin Klein, Nautica, Izod, Lee, Levi, Nike, Reebok, Bali, Sophie Max by Leon Max, and many others. Examples of Belk's premium brand offerings in select markets include: cosmetics by Chanel, MAC, Bobbi Brown, Laura Mercier, Benefit and Kiehl's; fashion apparel by St. John, Lauren Ralph Lauren, Theory, Lilly Pulitzer, Marc by Marc Jacobs, Seven For All Mankind, Lucky Brand Dungarees, Free People, Citizens of Humanity and Wacoal; handbags, accessories and shoes by Brahmin, Brighton, Coach, Donald J Pliner and Dooney & Bourke, and many more.

Private Brands: Belk stores exclusively offer outstanding lines of private brand merchandise brands under such labels as Madison, ND - New Directions, Choices, Kim Rogers, J. Khaki, Pro Tour, Saddlebred, Red Camel, Nursery Rhymes, Belk Silverworks, Be Inspired, Biltmore™ For Your Home, Biltmore Apothecary, Mary Jane's Farm, Home Accents and Cook's Tools. Belk is constantly developing and building its private brands business by targeting the merchandise offerings to three lifestyle segments – classic, modern and trendy – in order to meet the changing needs of its customers.

Belk.com: Belk re-launched a totally redesigned and expanded Web site (www.belk.com) during the third quarter of fiscal year 2009 and began operating a 147,000-square-foot e-commerce fulfillment center in Pineville, N.C. to process handling and shipping of online orders. The new Web site features a wide assortment of fashion apparel, accessories and shoes, plus a large selection of cosmetics, home and gift merchandise. Many leading national brands are offered at Belk.com along with the company's exclusive private brands.

Belk, Inc. Corporate Offices: A wide range of merchandising and other professional support services are provided to all Belk stores from the company's corporate offices in Charlotte, N.C. These services include: merchandising, marketing, advertising, visual merchandising, human resources, public relations, financial planning, accounting, insurance, real estate, architecture, store planning, credit, legal assistance, loss prevention, electronic data processing, telecommunications, merchandise distribution, supply purchasing, and others.

Community Service and Philanthropy: Belk has a strong tradition of community service and philanthropy. The company's associates volunteer time, talent and leadership to numerous civic and charitable organizations and causes in Belk markets throughout the South. Additionally, The Belk Foundation is a family foundation that supports deserving educational, health and youth causes and organizations in the communities and states where Belk stores are located.

Belk Social Media: To connect with Belk via its Facebook page, Fashion Buzz Twitter feed, mobile phone text message updates or by email, go to: <http://www.belk.com/getconnected>.

Belk, Inc. History Outline

I. History of Belk Stores

A. *The Beginning*

1. Belk got its start when 26-year-old William Henry Belk opened a small bargain store in Monroe, N.C., on May 29, 1888.
2. The first store measured only 22 by 70 feet, about 1,500 square feet. Mr. Belk called it the New York Racket; he thought it made the store sound big and would attract business.
3. Mr. Belk started with \$750 in savings, a \$500, 10% interest loan from a local widow, and about \$3,000 worth of goods taken on consignment from a bankrupt store. In less than seven months, he had paid off his debts and netted a \$3,300 profit.

B. *Innovative Ideas*

1. Mr. Belk introduced some radically new retailing ideas for those times:
 - (1) He bought large quantities of goods for cash and sold for cash at a low mark-up.
 - (2) All merchandise was clearly marked with its retail price -- no haggling over prices was allowed.
 - (3) Customers could return any merchandise purchased if they were not completely satisfied.
 - (4) These innovative ideas helped the Belk stores succeed and grow.

C. *Early Advertising*

1. Mr. Belk also used innovative advertising:
 - (1) His slogan for the first store was "Cheap Goods Sell Themselves," and he referred to the New York Racket store and other early stores as "The Cheapest Store on Earth."
 - (2) He often wrote his own lively and humorous newspaper ads.

D. *Three Generations of Belk Family Leadership*

1. In 1891, **William Henry Belk** persuaded his brother, **Dr. John M. Belk**, to leave the medical profession and become a partner in the Monroe store, beginning a remarkable 37-year business association that resulting in the opening of stores throughout the Carolinas. The company became Belk Brothers Company.
2. The brothers opened a second store in 1893 in Chester, S.C., and a third in 1894 in Union, S.C. In 1895, William Henry Belk left the Monroe store to open the company's fourth store in Charlotte, N.C., which became the company's base of operations.
3. Dr. John Belk continued to manage the Monroe store until his death in 1928.
4. William Henry Belk headed the Belk stores until his death at age 89 in 1952.
5. **John M. Belk** and **Thomas M. "Tom" Belk**, sons of William Henry Belk, led the company for more than a half century. Tom Belk, longtime president and chief merchandising officer of Belk stores, died in 1997. John Belk retired as chairman and chief executive officer of Belk, Inc. in 2004 and was elected chairman emeritus. He died on August 17, 2007.

6. Belk today is in the third generation of Belk family leadership. **Thomas M. (Tim) Belk, Jr.** is chairman and chief executive officer of Belk, Inc.; **John R. (Johnny) Belk** is president and chief operating officer, and **H.W. McKay Belk** (currently on sabbatical) is vice chairman. Tim, Johnny and McKay are sons of the late Thomas M. Belk nephews of the late John M. Belk.

E. Key Company Developments

1. In May 1998, the former 112 separate Belk corporations were merged into one company – Belk, Inc., America’s largest privately owned mainline department store company.
2. The company’s merchandising and marketing functions were consolidated into a single organization located at its corporate offices in Charlotte effective on August 5, 2002. The new organization includes a central merchandise planning and allocation function that manages the distribution and allocation of merchandise to stores. The organization is responsible for buying, marketing, sales promotion, and merchandise planning and allocation for all Belk stores.
3. On July 5, 2005, Belk acquired 47 Proffitt’s and McRae’s stores from Saks Incorporated. The stores, most of which are located in Tennessee and Mississippi, began operating under the Belk name in spring 2006.
4. Belk purchased the assets of Migerobe, Inc., on July 31, 2006, and established a fine jewelry division at its corporate headquarters in Charlotte to operate fine jewelry departments in many of its stores under the Belk and Co. Fine Jewelers name.
5. On October 2, 2006, Belk purchased 40 Parisian department stores located in nine Southeastern and Midwestern states from Saks Incorporated. Twenty-five of the former Parisian stores celebrated their grand opening under the Belk name in September 2007.
6. The company relaunched its totally redesigned Belk.com Web site in fall 2008 and began offering greatly expanded assortments of fashion apparel, accessories and shoes, plus cosmetics, home and gift merchandise.
7. In February 2009, the company consolidated its four store operating divisions into three divisions with division offices located in Atlanta, Ga., Raleigh, N.C. and Birmingham, Ala.