

Joe's Jeans to Open Outlets

By Ross Tucker

JOE'S JEANS INC. IS HEADED TO THE OUTLETS.

The Los Angeles-based premium denim label has partnered with Simon Property Group to open nine outlet stores in Simon's Premium Outlet Centers across the country.

"Pursuing company-owned outlet stores allows us to control our off-price distribution in a Joe's branded environment," said Marc Crossman, president and chief executive officer.

Crossman added the company expects to reveal the opening of more full-price retail outposts "in the coming months."

Joe's Jeans expects five of the nine outlet locations to be open by the end of the second quarter, with the remaining opening during the third quarter. The nine outlet locations will give the company an overall store count of 15.

The announcement comes less than a week after Joe's reported strong growth for 2009. On Feb. 3, the company reported fourth-quarter earnings of \$20.5 million, or 33 cents a diluted share, compared with earnings of \$1.1 million, or 2 cents a share in the same period a year ago. Excluding a \$16.4 million income tax benefit for fiscal 2009, the company said net income was \$3 million versus \$1.2 million in the 2008 period.

Revenue for the quarter increased to \$25.2 million, from \$17.8 million, driven by a "renewed focus on fashion denim," a "revamping" of its core basic program and the successful introduction of jean leggings and unisex woven shirts, the company said.

"The fourth quarter was the perfect end to a successful year, during which we were able to grow the top line, improve gross margins, build significant cash balances, add two new licensees, open four new retail stores and, most importantly, gain a solid foothold in two new product classifications," said Crossman.

For the year, net income expanded fivefold to \$24.5 million, or 40 cents a share, from \$4.9 million, or 8 cents. Annual revenue jumped 15 percent to \$80.1 million compared with 2008 sales of \$69.2 million.

— With contributions from Alexandra Steigard