

# Coldwater Creek Inc. has filed for bankruptcy protection...

Let's see what the reporting history shows!

## Coldwater Creek Inc.

Phone: (208) 263-2266

One Coldwater Creek Drive  
SANDPOINT, ID 83864 United States

Ticker: [CWTR](#)

Filed for Bankruptcy on 4/11/2014  
Case #14-10867, filed in the U.S. Bankruptcy Court for the District of Delaware

### Latest Financial Statements as of 11/2/2013

#### Business Summary

Coldwater Creek Inc. (Coldwater Creek) is a specialty retailer of women's apparel, accessories, jewelry and gift items. Coldwater Creek is a multi-channel specialty retailer. The Company's merchandise is offered through two segments, retail and direct. Its retail segment includes retail stores and merchandise clearance outlet stores along with its day spa locations. Coldwater Creek's direct segment encompasses its direct-to-consumer business through e-commerce and phone and mail operations. The Company designs and develops its apparel either in-house or through collaboration with independent designers. As of January 28, 2012, Coldwater Creek operated 363 retail stores throughout the United States. As of January 28, 2012, it also operated 38 outlet stores at an average size of approximately 6,800 square feet per store.

(Source: 10-K)

Employees: 2,500 (as of 2/2/2013)

Federal Tax Id: 820419266

#### Credit Scores

<b>FRISK<sup>®</sup> Score</b>	<b>2</b>	4/11/2014
<b>Probability of bankruptcy range: 5.05% - 10.34%</b>		
<b>Z" Score</b>	<b>-3.15 (Fiscal danger)</b>	11/2/2013

#### Auditor Information

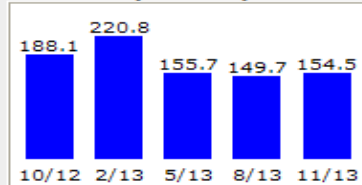
Last Audit: 2/2/2013  
Auditors: Deloitte & Touche LLP  
Opinion: **Unqualified**

#### DBT Index

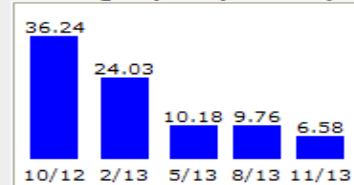
12/2013	1/2014	2/2014
9	9	9

(Includes DBT Indexes from Subsidiaries)

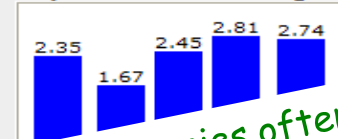
#### Net Sales (millions)



#### Working Capital (millions)



#### Days Sales Outstanding



#### Third Quarter and Year-to-Date Results

Sales for the 13 weeks ended 11/2/2013 decreased 17.88% to \$154.49 million from the same period last year. Sales for the 39 weeks ended 11/2/2013 decreased 8.00% to \$521.76 million from the same period last year.

Gross profit margin decreased 27.11% for the period to 48.16 million (31.2% of revenues) for the same period last year. Gross profit for the year-to-date period to \$143.16 million (31.13% of revenues) from \$168.98 million for the comparable 39 week period last year.

Selling, general and administrative expenses for the period decreased 6.93% to \$76.11 million for the same period last year. Selling, general and administrative expenses for the year-to-date period decreased 8.00% to \$201.76 million from \$219.30 million for the comparable 39 week period last year.

Operating income for the period decreased 152.43% to (\$25.35) million compared with operating income of (\$50.32) million for the same period last year. Operating income for the year-to-date period decreased 3.65% to (\$59.59) million compared with operating income of (\$61.84) million for the comparable 39 weeks last year.

Net loss for the period increased 15.89% to (\$23.79) million compared with net loss of (\$20.53) million for the same period last year. Net loss for the year-to-date period decreased 3.65% to (\$59.59) million compared with net loss of (\$61.84) million for the comparable 39 weeks last year.

Net cash from operating activities was (\$23.07) million for the 39 week period, compared to net cash from operating activities of (\$34.93) million for last year's comparable period.

Working capital at 11/2/2013 of \$6.58 million decreased 72.62% from the prior year end's balance of \$24.03 million, and decreased 81.84% from \$36.24 million at the end of last year's same period.

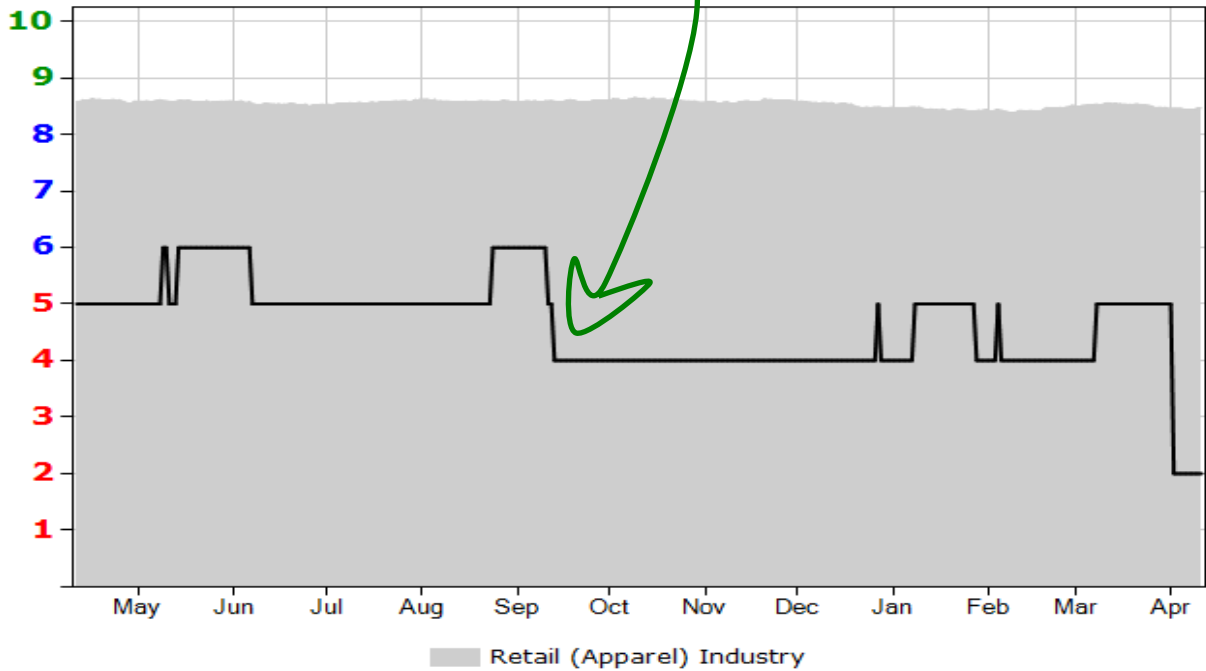
Inventories increased by \$27.53 million for the year-to-date period, compared to a \$29.74 million increase in the prior year's comparable period.

Accounts payable increased by \$32.41 million for the year-to-date period, compared to a \$36.30 million increase in the prior year's comparable period.

Public companies often make consistent payments, right up to a bankruptcy... here, Coldwater Creek Inc. was paying 0-10 days past due

The FRISK® has been in the Red Zone for an extended period of time, and has dropped to a risky "4" ... IMMEDIATE ACTION REQUIRED

The current FRISK® score is 2 (probability of bankruptcy\* 5.05% - 10.34%), below its 13-month average and below its industry average.



The FRISK® score is reported on a 1 to 10 scale:

	FRISK®	Probability of bankruptcy within 12 months	
		From	To
Best	10	0.00%	0.11%
	9	0.11%	0.23%
	8	0.23%	0.38%
	7	0.38%	0.54%
	6	0.54%	1.05%
	5	1.05%	1.74%
	4	1.74%	3.15%
	3	3.15%	5.05%
	2	5.05%	10.34%
Worst	1	10.34%	50.00%

The Altman Z" has been signaling trouble for an extended period of time...

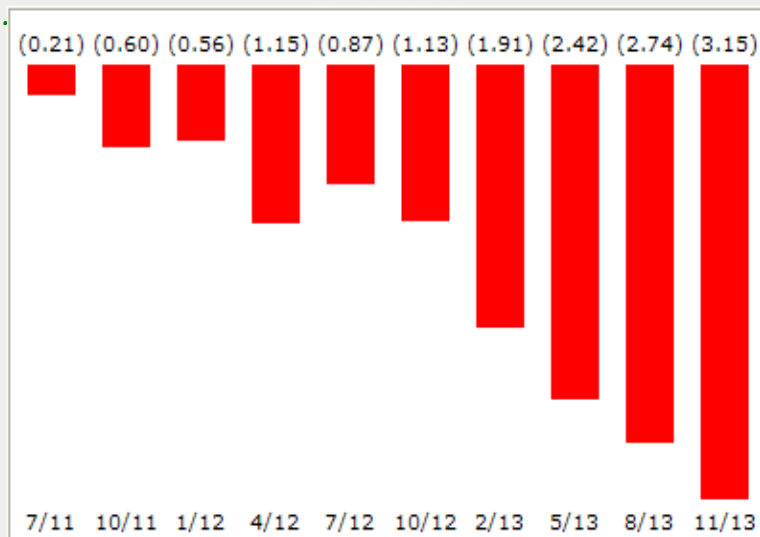
## Z" Score

### LEGEND:

Financially sound: 2.60 or higher

Neutral: 1.10 to 2.60

Fiscal danger: less than 1.10



## Stock Performance

### Detailed Quote

Last: **0.13**

Change: **-0.05 (-28.94%)**

Volume: **4,132,365**

Open: **0.16**  
 Close: **0.19**  
 High: **0.17**  
 Low: **0.12**  
 Bid: **0.13**  
 Ask: **0.13**  
 Yield: **0.00**  
 P/E Ratio: **N/**  
 EPS: **-2.61**  
 Dividend: **0.00**  
 Shares Out: **30.6 M**  
 Market Cap: **4.1 M**  
 52wk High: **3.96**  
 52wk Low: **0.15**

COLDWATER CREEK INC  
as of 4/10/2014



...plus looking at our News Alerts you would have seen...

News Summary ( <input checked="" type="radio"/> CRMZ selected <input type="radio"/> Moody's <input type="radio"/> Fitch <input type="radio"/> All ) <span>Next Page</span>			
#	Date	Source	Headline
1	4/11/2014	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Bankruptcy or Receivership, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangeme</u>
2	4/11/2014	GlobeNewswire	<u>Coldwater Creek Commences Voluntary Chapter 11 Proceeding to Facilitate Orderly Wind-Down of Operations</u>
3	4/9/2014	CRMZ News Service	<u>Coldwater Said to Plan Liquidation After Bankruptcy</u>
4	3/31/2014	CRMZ News Service	<u>Coldwater Creek Preparing to File for Bankruptcy</u>
5	1/8/2014	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</u>
6	1/8/2014	CRMZ News Service	<u>Coldwater Creek Inc. -- updated financials available</u>
7	12/27/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
8	12/16/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</u>
9	12/12/2013	CRMZ News Service	<u>COLDWATER CREEK INC: a Form 10-Q has been Filed with the SEC</u>
10	12/11/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
11	10/30/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
12	10/15/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>
13	9/23/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
14	9/12/2013	CRMZ News Service	<u>COLDWATER CREEK INC: a Form 10-Q has been Filed with the SEC</u>
15	9/12/2013	CRMZ News Service	<u>Coldwater Creek Inc. -- updated financials available</u>
16	9/10/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
17	8/5/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
18	7/31/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
19	7/2/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</u>
20	6/21/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Submission of Matters to a Vote of Security Holders</u>
21	6/15/2013	CRMZ News Service	<u>Coldwater Creek Inc. -- updated financials available</u>
22	6/6/2013	CRMZ News Service	<u>COLDWATER CREEK INC: a Form 10-Q has been Filed with the SEC</u>
23	6/5/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
24	5/11/2013	CRMZ News Service	<u>Coldwater Creek Inc. -- updated financials available</u>
25	3/22/2013	CRMZ News Service	<u>COLDWATER CREEK INC: a Form 10-K has been Filed with the SEC</u>
26	3/22/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
27	3/13/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
28	1/14/2013	CRMZ News Service	<u>COLDWATER CREEK INC FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>

Files for Chapter 11 to facilitate an orderly wind-down of its operations

Preparing to file for bankruptcy due to high debt load and declining sales

Termination of President/Chief Creative Officer as position was eliminated as part of its restructuring and cost cutting program

Q3 results expected to be below previous guidance

Resignation of Director from the Board

Q1 net loss of \$19MM

Update lowering 2012 Q4 outlook

Announces plan to liquidate assets after imminent bankruptcy filing, to repay creditors

Notice of non-compliance with continued listing rule of the NASDAQ Stock Market

Q3 net loss of \$24MM

Evaluation of strategic alternatives including, but not limited to, partnerships, joint ventures or a sale or merger of the Company

Q2 net loss of \$16MM

The Company implements initiatives to help turn itself around by entering into a Credit Card Program Agreement with Alliance Data Systems Corporation (ADS) to help strengthen its relationship with its customers. Upon execution of the Agreement, ADS paid the Company incentive payments of \$23MM to issue co-branded credit cards and an additional \$2MM upon the launch of a private label credit card program

...need more depth? Look at the Performance Ratios

Continuing and mounting losses...

Performance Ratios - Sequential Quarters (Thousands of U.S. Dollars)					
Period Ended	13 weeks 11/2/2013	13 weeks 8/3/2013	13 weeks 5/4/2013	14 weeks 2/2/2013	13 weeks 10/27/2012
<b>Net Sales \$</b>	<b>\$154,485</b>	<b>\$149,702</b>	<b>\$155,729</b>	<b>\$220,774</b>	<b>\$188,124</b>
% change	3.20%	-3.87%	-29.46%	17.36%	14.93%
<b>Gross Margin \$</b>	<b>\$48,155</b>	<b>\$44,040</b>	<b>\$50,964</b>	<b>\$64,145</b>	<b>\$66,065</b>
% change	9.34%	-13.59%	-20.55%	-2.91%	36.16%
% of sales	31.17%	29.42%	32.73%	29.05%	35.12%
change as % of incremental sales	86.03%	n/m	n/m	-5.88%	71.81%
<b>SG&amp;A \$</b>	<b>\$70,832</b>	<b>\$62,562</b>	<b>\$68,362</b>	<b>\$82,507</b>	<b>\$76,106</b>
% change	13.22%	-8.48%	-17.14%	8.41%	10.88%
% of sales	45.85%	41.79%	43.90%	37.37%	40.46%
change as % of incremental sales	172.90%	n/m	n/m	19.60%	42.69%
<b>Operating margin \$</b>	<b>(\$25,346)</b>	<b>(\$18,522)</b>	<b>(\$17,398)</b>	<b>(\$18,362)</b>	<b>(\$10,041)</b>
% change	-36.84%	-6.46%	5.25%	-82.87%	41.47%
% of sales	-16.41%	-12.37%	-11.17%	-8.32%	-5.34%
change as % of incremental sales	-142.67%	n/m	n/m	-25.49%	29.11%
<b>EBITDA \$</b>	<b>(\$11,809)</b>	<b>(\$7,514)</b>	<b>(\$6,554)</b>	<b>(\$4,468)</b>	<b>(\$4,381)</b>
% change	-57.16%	-14.65%	-46.69%	-1.99%	-43.73%
% of sales	-7.64%	-5.02%	-4.21%	-2.02%	-2.33%
change as % of incremental sales	-89.80%	n/m	n/m	-0.27%	-5.46%
<b>Pre-tax income \$</b>	<b>(\$21,137)</b>	<b>(\$16,523)</b>	<b>(\$20,045)</b>	<b>(\$20,605)</b>	<b>(\$20,411)</b>
% change	-27.92%	17.57%	2.72%	-0.95%	-15.97%
% of sales	-13.68%	-11.04%	-12.87%	-9.33%	-10.85%
change as % of incremental sales	-96.47%	n/m	n/m	-0.59%	-11.50%
<b>Net income (loss) \$</b>	<b>(\$23,787)</b>	<b>(\$16,443)</b>	<b>(\$19,355)</b>	<b>(\$19,998)</b>	<b>(\$20,526)</b>
% change	-44.66%	15.05%	3.22%	2.57%	-16.90%
% of sales	-15.40%	-10.98%	-12.43%	-9.06%	-10.91%
change as % of incremental sales	-153.54%	n/m	n/m	1.62%	-12.15%
<b>Tax expense \$</b>	<b>\$2,650</b>	<b>(\$80)</b>	<b>(\$690)</b>	<b>(\$607)</b>	<b>\$115</b>
Effective tax rate	-12.54%	0.48%	3.44%	2.95%	-0.56%
<b>Depreciation expense \$</b>	<b>\$9,712</b>	<b>\$10,976</b>	<b>\$10,818</b>	<b>\$12,400</b>	<b>\$12,457</b>
% of sales	6.29%	7.33%	6.95%	5.62%	6.62%
% of capital expenses	369.98%	375.38%	580.05%	548.19%	279.93%
% of PP&E, net (annualized)	26.37%	28.05%	26.28%	28.37%	26.88%
<b>Capital expenditures \$</b>	<b>\$2,625</b>	<b>\$2,924</b>	<b>\$1,865</b>	<b>\$2,262</b>	<b>\$4,450</b>
% change	-10.23%	56.78%	-17.55%	-49.17%	-26.87%
% of PP&E, net (annualized)	7.13%	7.47%	4.53%	5.18%	9.60%
% of working capital (annualized)	128.53%	117.32%	43.61%	30.02%	41.31%
<b>Interest coverage ratio</b>	<b>(3.14)</b>	<b>(2.07)</b>	<b>(1.83)</b>	<b>(1.20)</b>	<b>(1.23)</b>
% change	-51.61%	-12.76%	-53.46%	2.51%	30.61%
<b>Free cash flow \$</b>	<b>(\$11,222)</b>	<b>\$6,485</b>	<b>(\$25,743)</b>	<b>(\$9,480)</b>	<b>(\$14,193)</b>
% change	-278.05%	125.19%	-171.55%	33.21%	-110.77%
Source:	10-Q 12/12/2013	10-Q 9/12/2013	10-Q 6/6/2013	10-K 3/22/2013	10-Q 12/12/2013

Negative Free Cash Flow  
(Only \$7MM in cash)...

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com



...need more depth? Look at the Leverage Ratios

Negative tangible net worth...

Vanishing Stockholders' equity due to mounting losses...

Leverage Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	11/2/2013	8/3/2013	5/4/2013	2/2/2013	10/27/2012
Total debt \$	\$85,134	\$83,178	\$81,249	\$64,361	\$62,357
% change	2.35%	2.37%	26.24%	3.21%	3.00%
Stockholders' equity \$	(\$21,133)	\$2,451	\$18,465	\$37,136	\$55,741
% change	-962.22%	-86.73%	-50.28%	-33.38%	-26.53%
Total debt to equity ratio	n/a	33.94	4.40	1.73	1.12
% change	n/a	671.25%	153.89%	54.92%	40.19%
Tangible net worth \$	(\$21,133)	\$2,451	\$18,465	\$37,136	\$55,741
% change	-962.22%	-86.73%	-50.28%	-33.38%	-26.53%
Total debt to tangible net worth	n/a	33.94	4.40	1.73	1.12
% change	n/a	671.25%	153.89%	54.92%	40.19%
Total assets \$	\$331,965	\$325,097	\$329,927	\$345,908	\$405,706
% change	2.11%	-1.46%	-4.62%	-14.74%	1.76%
Total debt to assets ratio	0.26	0.26	0.25	0.19	0.15
% change	0.23%	3.90%	32.35%	21.08%	1.19%
Net tangible assets \$	\$331,965	\$325,097	\$329,927	\$345,908	\$405,706
% change	2.11%	-1.46%	-4.62%	-14.74%	1.76%
Short-term debt \$	\$15,624	\$15,710	\$15,594	\$577	\$560
% change	-0.55%	0.74%	2,602.60%	3.04%	2.94%
Short-term debt % of total debt	18.35%	18.89%	19.19%	0.90%	0.90%
% change	-2.83%	-1.59%	2,040.87%	-0.18%	-0.04%
Short-term debt % of working capital	237.41%	161.00%	153.18%	2.40%	1.55%
% change	47.46%	5.10%	6,279.95%	55.38%	41.85%
Total liabilities \$	\$353,098	\$322,646	\$311,462	\$308,772	\$349,965
% change	9.44%	3.59%	0.87%	-11.77%	8.41%
Total liabilities to equity ratio	n/a	131.64	16.87	8.31	6.28
% change	n/a	680.42%	102.87%	32.43%	47.56%
Total liabilities to tangible net worth ratio	n/a	131.64	16.87	8.31	6.28
% change	n/a	680.42%	102.87%	32.43%	47.56%
Source:	10-Q 12/12/2013	10-Q 9/12/2013	10-Q 6/6/2013	10-K 3/22/2013	10-Q 11/30/2012

Substantial jump in short-term debt % of working capital due to increased borrowing on the Company's revolving line of credit, as well as decreasing liquidity...

...need more depth? Look at the Liquidity Ratios and Rates of Return

Decreasing working capital...

### Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	11/2/2013	8/3/2013	5/4/2013	2/2/2013	10/27/2012
<b>Current assets \$</b>	<b>\$186,290</b>	<b>\$166,355</b>	<b>\$163,307</b>	<b>\$170,415</b>	<b>\$218,291</b>
% change	11.98%	1.87%	-4.17%	-21.93%	8.25%
% of short-term debt	1,192.33%	1,058.91%	1,047.24%	29,534.66%	38,980.54%
<b>Current liabilities \$</b>	<b>\$179,709</b>	<b>\$156,597</b>	<b>\$153,127</b>	<b>\$146,383</b>	<b>\$182,050</b>
% change	14.76%	2.27%	4.61%	-19.59%	20.00%
<b>Working capital \$</b>	<b>\$6,581</b>	<b>\$9,758</b>	<b>\$10,180</b>	<b>\$24,032</b>	<b>\$36,241</b>
% change	-32.56%	-4.15%	-57.64%	-33.69%	-27.43%
% of sales (annualized)	1.07%	1.63%	1.63%	2.72%	4.82%
<b>Cash \$</b>	<b>\$6,786</b>	<b>\$17,271</b>	<b>\$10,915</b>	<b>\$21,734</b>	<b>\$31,294</b>
% change	-60.71%	58.23%	-49.78%	-30.55%	-31.25%
% of short-term debt	43.43%	109.94%	69.99%	3,766.72%	5,588.21%
<b>Cash ratio</b>	<b>0.04</b>	<b>0.11</b>	<b>0.07</b>	<b>0.15</b>	<b>0.17</b>
% change	-65.73%	54.70%	-51.99%	-13.61%	-42.70%
<b>Quick assets \$</b>	<b>\$12,284</b>	<b>\$21,064</b>	<b>\$16,352</b>	<b>\$24,662</b>	<b>\$36,468</b>
% change	-41.68%	28.82%	-33.70%	-32.37%	-27.11%
% of short-term debt	78.62%	134.08%	104.86%	4,274.18%	6,512.14%
<b>Quick ratio</b>	<b>0.07</b>	<b>0.13</b>	<b>0.11</b>	<b>0.17</b>	<b>0.20</b>
% change	-49.15%	25.94%	-36.62%	-15.88%	-39.27%
<b>Current ratio</b>	<b>1.04</b>	<b>1.06</b>	<b>1.07</b>	<b>1.16</b>	<b>1.20</b>
% change	-2.42%	-0.39%	-8.39%	-2.91%	-9.79%
Source:	10-Q 12/12/2013	10-Q 9/12/2013	10-Q 6/6/2013	10-K 3/22/2013	10-Q 11/30/2012

Running out of cash...

### Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 11/2/2013	13 weeks 8/3/2013	13 weeks 5/4/2013	14 weeks 2/2/2013	13 weeks 10/27/2012
<b>Return on equity</b>	<b>-970.50%</b>	<b>-89.05%</b>	<b>-52.12%</b>	<b>-35.88%</b>	<b>-27.05%</b>
% change	-989.84%	-70.86%	-45.27%	-32.61%	-43.34%
<b>Return on net tangible equity</b>	<b>-970.50%</b>	<b>-89.05%</b>	<b>-52.12%</b>	<b>-35.88%</b>	<b>-27.05%</b>
% change	-989.84%	-70.86%	-45.27%	-32.61%	-43.34%
<b>Return on total assets</b>	<b>-7.24%</b>	<b>-5.02%</b>	<b>-5.73%</b>	<b>-5.32%</b>	<b>-5.10%</b>
% change	-44.21%	12.35%	-7.64%	-4.27%	-12.64%
<b>Return on net tangible assets</b>	<b>-7.24%</b>	<b>-5.02%</b>	<b>-5.73%</b>	<b>-5.32%</b>	<b>-5.10%</b>
% change	-44.21%	12.35%	-7.64%	-4.27%	-12.64%
Source:	10-Q 12/12/2013	10-Q 9/12/2013	10-Q 6/6/2013	10-K 3/22/2013	10-Q 12/12/2013

Negative rates of return...

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

...need more depth? Look at the Annual Statement of Cash Flows

Statement of Cash Flows - Annual - Detailed					
(Thousands of U.S. Dollars)					
Period Ended	53 weeks 2/2/2013	52 weeks 1/28/2012	52 weeks 1/29/2011	52 weeks 1/30/2010	52 weeks 1/31/2009
	Reclassified 2/2/2013	Reclassified 2/2/2013			
<b>Cash Flows from Operating Activities:</b>					
Net Income	(\$81,842)	(\$99,694)	(\$44,111)	(\$56,132)	(\$25,963)
Depreciation	51,437	56,743	63,329	63,721	61,811
Net loss on asset dispositions and other	2,295	197	447	1,120	405
Stock-based compensation expense	2,001	2,403	2,476	6,718	4,779
Supplemental executive retirement plan expense	587	555	886	n/a	n/a
Non-cash interest expense	5,478	0	0	n/a	n/a
Series A Preferred Stock issuance costs	1,086	0	0	n/a	n/a
Gain on derivative liability	2,939	0	0	n/a	n/a
Supplemental Employee Retirement Plan	n/a	n/a	n/a	3,011	1,293
Valuation allowance adjustments	(312)	(839)	(2,564)	0	0
Deferred income taxes	(585)	(68)	(1,200)	22,169	(8,930)
Loss on asset impairments	0	5,216	3,931	607	1,452
Excess tax benefit from exercises of stock options	n/a	n/a	n/a	(650)	(82)
Other	23	148	(516)	211	318
Receivables	2,337	2,212	(3,584)	10,014	12,529
Inventories	6,768	24,506	5,065	(26,170)	4,617
Prepaid and other current assets	(8,007)	11,198	7,168	n/a	n/a
Prepaid and other and income taxes recoverable	n/a	n/a	n/a	5,072	6,199
Prepaid Catalog Cost	n/a	n/a	n/a	(506)	8,301
Accounts payable	2,869	(22,769)	(21,776)	6,177	23,126
Accrued Liabilities	(9,141)	(6,575)	(1,236)	(276)	(7,472)
Deferred marketing fees and revenue sharing	(1,048)	(1,509)	(2,055)	1,623	(1,575)
Deferred rents	(19,029)	(15,948)	(7,249)	(11,285)	16,353
Assets & Liabilities	n/a	n/a	n/a	(799)	(1,628)
<b>Cash from Operating Activities</b>	<b>(42,144)</b>	<b>(44,224)</b>	<b>(989)</b>	<b>24,625</b>	<b>63,533</b>
<b>Cash Flows from Investing Activities:</b>					
Change in restricted cash	0	0	890	886	888
Proceeds from asset dispositions	144	1,110	73	58	3,086
Purchase of property and equipment	(16,496)	(8,895)	(31,084)	(21,681)	(81,215)
<b>Cash from Investing Activities</b>	<b>(16,352)</b>	<b>(7,785)</b>	<b>(30,121)</b>	<b>(20,737)</b>	<b>(77,241)</b>
<b>Cash Flows from Financing Activities:</b>					
Payment of debt and Series A Preferred Stock	(5,895)	(695)	0	n/a	n/a
Proceeds from the issuance of long-term debt	65,000	15,000	0	0	n/a
Borrowings on revolving line of credit	10,000	15,000	0	0	n/a
Net proceeds from stock offering	0	22,945	0	0	n/a
Proceeds from exercises of stock options	204	330	835	1,998	1,318
Payments on revolving line of credit	(25,000)	0	0	n/a	n/a
Excess tax benefit from exercises of stock options	n/a	n/a	n/a	650	82
Payments of long-term debt and capital lease obligations	(15,444)	(819)	(2,762)	(1,723)	(941)
Tax withholding payments	n/a	n/a	n/a	(775)	n/a
Payment of credit facility financing costs	n/a	n/a	n/a	(618)	0
<b>Cash from Financing Activities</b>	<b>28,865</b>	<b>51,761</b>	<b>(1,927)</b>	<b>(468)</b>	<b>459</b>
<b>Net Change in Cash</b>	<b>(29,631)</b>	<b>(248)</b>	<b>(33,037)</b>	<b>3,420</b>	<b>18,751</b>
<b>Net Cash - Beginning Balance</b>	<b>51,365</b>	<b>51,613</b>	<b>84,650</b>	<b>81,230</b>	<b>62,479</b>
<b>Net Cash - Ending Balance</b>	<b>\$21,734</b>	<b>\$51,365</b>	<b>\$51,613</b>	<b>\$84,650</b>	<b>\$81,230</b>
Auditor/Opinion:	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified with Explanation
Source:	10-K 3/22/2013	10-K 3/22/2013	10-K 3/22/2013	10-K 3/31/2010	10-K 4/1/2009

Poor trend of negative cash from operating activities...

Issuing more debt and accessing additional funds from revolving line of credit...



...need more depth? Look at the Peer Analysis

Peer Analysis						
Calendar Year/Quarter: 2013.3						
Peer Group: Sector: Services, Industry: Retail (Apparel)						
Refresh						
[Sector: Services] [Industry: Retail (Apparel)] [Calendar Year/Quarter: 2013.3]						
Businesses in Peer Group: 447	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings:						
ZScore -- Current Quarter	133	139	(3.15)	(340.66)	5.11	35.94
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	40	54	154,485.00	0.00	436,290.00	6,981,876.00
Gross Margin % of Sales -- Current Quarter	117	137	31.17	3.56	46.71	110.39
Gross margin % of Sales -- TTM	120	141	30.46	6.46	48.66	93.04
SG&A % of Sales -- Current Quarter	84	133	45.85	1.76	35.98	369.69
SG&A % of Sales -- TTM	80	138	41.76	1.56	35.72	372.26
Operating Margin % of Sales -- Current Quarter	130	140	(16.41)	(549.73)	3.52	1,051.60
Operating Margin % of Sales -- TTM	137	144	(11.70)	(449.85)	6.08	457.80
EBITDA Margin % of Sales -- Current Quarter	103	115	(7.64)	(504.13)	8.14	1,051.59
EBITDA Margin % of Sales -- TTM	126	144	(4.46)	(412.76)	8.53	457.79
Net Profit Margin % of Sales -- Current Quarter	131	140	(15.40)	(549.73)	2.29	1,049.20
Net Profit Margin % of Sales -- TTM	132	144	(11.69)	(449.85)	3.63	455.23
Pre-tax Income % of Sales -- Current Quarter	130	140	(13.68)	(549.73)	3.02	1,050.98
Effective Tax Rate	10	142	(12.54)	(2,329.21)	28.63	152.31
Depreciation % Of Prop/Plant/Equipment	95	134	26.37	3.11	21.19	434.96
CapitalExpense % Of Prop/Plant/Equipment	9	100	7.13	0.14	29.04	1,357.71
Interest Coverage -- Current Quarter	82	94	(3.14)	(909.88)	6.90	5,804.80
Interest Coverage -- TTM	109	127	(2.06)	(1,150.83)	11.91	7,006.84
Liquidity ratios:						
Cash Ratio	133	144	0.04	0.00	0.43	18.49
Quick Ratio	123	126	0.07	0.05	0.88	19.95
Current Ratio	137	145	1.04	0.04	2.02	19.95
Efficiency ratios:						
Accounts Receivable Turnover	14	129	133.02	0.00	24.18	9,342.43
Days Sales Outstanding	29	140	2.74	0.00	11.86	194.89
% Inventory Financed by Vendors -- Current Quarter	43	135	59.12	2.32	45.50	8,307.23
% Inventory Financed by Vendors -- TTM	52	139	55.10	2.11	47.58	8,307.23
Inventory Turnover (annualized) -- Current Quarter	69	144	3.08	(0.62)	2.96	17.01
Inventory Turnover -- TTM	65	144	3.43	0.00	3.00	18.10
Days Sales in Inventory	70	137	118.69	(593.09)	116.69	531.06
Inventory to Working Capital	137	143	23.21	(36.43)	0.93	23.21
Accounts Payable Turnover (annualized) -- Current Quarter	83	141	5.58	(0.37)	6.58	87.94
Accounts Payable Turnover -- TTM	82	142	6.70	0.00	7.31	124.66
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	101	N/A	0.00	0.33	10.17
Debt to Tangible Equity Ratio	N/A	95	N/A	0.00	0.33	22.42
Total Debt to Assets Ratio	77	109	0.26	0.00	0.19	0.91
Short-Term Debt % of Total Debt	21	94	18.35	0.00	43.17	100.00
Short-Term Debt % of Working Capital	88	96	237.41	(1,674.39)	20.49	726.86
Liabilities to Net Worth Ratio	N/A	129	N/A	0.13	0.74	28.52
Total Liabilities to Equity Ratio	N/A	136	N/A	0.13	0.72	10.17
TTM = trailing 12 months N/A = Not Available	Green - Ranked in Upper Quartile of Peer Group White - Ranked in the Middle Two Quartiles of Peer Group Red - Ranked in Lower Quartile of Peer Group Grey - Data is Not Available					

Bottom quartile in majority of Performance ratios and all of Liquidity ratios vs. Retail (Apparel) Industry Peers

In the MD&A issued in September the Company tells us they have experienced significant operating losses and it is possible that, should they need to access additional funds from their revolving line of credit, it may not be available in full. If their future operating performance is significantly below expectations and their revolving line of credit is not fully available, the Company's liquidity can be adversely impacted, and they may need to seek additional sources of liquidity. Additional actions may be taken, including significant restructuring of the Company's business and debt, as well as curtailing operations.

## CreditRiskMonitor (CRMZ)

Site Map About Us Directory Lookup Portfolio News Account Help Sign Off Back

Report
Overview
Company News
Risk Ratings
Important Information
Annual Financials
Year/Year Interim
Sequential Quarters
Liquidity (MD&A)
Liquidity (MD&A) History
SEC Filings
Peer Analysis
Payments
Public Filings
General Info
Access History
Update Portfolio
Print/Save Report
Currency Converter
Send This to a Colleague

### Coldwater Creek Inc.

One Coldwater Creek Drive  
Phone: (208) 263-2266 SANDPOINT, ID 83864 United States

Ticker: [CWTR](#)

Filed for Bankruptcy on 4/11/2014  
Case #14-10867, filed in the U.S. Bankruptcy Court for the District of Delaware

#### Management Discussion and Analysis

For the period ended 8/3/2013

We rely on our cash resources to fund our operations and use our revolving line of credit to secure trade letters of credit and for borrowings, both of which reduce the amount of available borrowings. The actual amount that is available under our revolving line of credit fluctuates due to factors including, but not limited to, eligible inventory and credit card receivables, reserve amounts, outstanding letters of credit, and borrowing under our revolving line of credit. Consequently, it is possible that, should we need to access any additional funds from our revolving line of credit, it may not be available in full.

We believe we have sufficient liquidity, including cash and availability under our revolving line of credit, to fund our operations for the next twelve months. However, we have had continued significant operating losses and, if our future operating performance is significantly below our expectations or our revolving line of credit is not fully available to us, our liquidity could be adversely impacted and it may be necessary to seek additional sources of liquidity, which may not be available in the amounts or on terms acceptable to us. Additional actions may include further reducing our expenditures, curtailing our operations, significantly restructuring our business, or restructuring our debt. Our current level of debt could adversely affect our ability to raise additional capital to fund our operations.