

Exhibit 1

STAR STORES, INC.
Comparative Income Statements
For Fiscal Years Ended June 30, 1999
(\$ In Thousands)

	Audited		Audited		Audited		Industry Average %
	1997	%	1998	%	1999	%	
	\$		\$		\$		
Sales	\$ 297,829	100	\$ 325,463	100	\$ 340,591	100	100
Cost of Sales	\$ 189,330	63.6	\$ 210,435	64.7	\$ 223,222	65.5	63.4
Gross Profit	\$ 108,499	36.4	\$ 115,028	35.3	\$ 117,369	34.5	36.6
Operating Expenses	\$ 90,182	30.3	\$ 101,647	31.2	\$ 104,561	30.7	33.5
Operating Profit	\$ 18,317	6.1	\$ 13,381	4.1	\$ 12,808	3.8	3.1
Interest Expense	\$ 9,306	3.1	\$ 6,793	2.1	\$ 6,904	2	NA
Pre-Tax Profit	\$ 9,011	3	\$ 6,588	2	\$ 5,904	1.8	2.4
Taxes	\$ 3,398	1.1	\$ 2,528	0.8	\$ 1,723	0.5	
Net Profit	\$ 5,613	1.9	\$ 4,060	1.2	\$ 4,180	1.3	
Depreciation	\$ 5,266	1.8	\$ 5,503	1.7	\$ 6,432	1.9	
Sales to Assets	1.4		1.3		1.4		2.1
% Return on Assets(BT)	4.3		2.7		2.5		3.4
% Return on Equity(BT)	8.2		4.7		4.6		13.7
Pre-Tax Interest Cover.	2		2		1.9		1.7

Exhibit 2

STAR STORES, INC.
Comparative Balance Sheets
For Fiscal Years Ended June 30, 1999
(\$ In Thousands)

Assets	Audited 1997		Audited 1998		Audited 1999		Industry Average
	\$	%	\$	%	\$	%	%
Cash	\$ 1,393	0.7	\$ 3,337	1.4	\$ 1,106	0.5	3.4
Short Term Investments	\$ 5,388	2.6	\$ 6,413	2.6	\$ 8,461	3.5	1.3
Accounts Receivable	\$ 62,443	30	\$ 64,375	26.6	\$ 62,352	26	20.6
Inventories	\$ 52,259	25.1	\$ 62,821	26	\$ 58,777	24.5	39.3
Total Current Assets	\$ 121,483	58.4	\$ 136,946	56.6	\$ 130,696	54.5	64.6
Net Fixed Assets	\$ 75,525	36.3	\$ 83,732	34.6	\$ 89,077	37.1	27.7
Other Assets	\$ 8,895	4.3	\$ 19,560	8.1	\$ 18,582	7.7	6.2
Intangibles	\$ 1,967	0.9	\$ 1,834	0.8	\$ 1,718	0.7	1.5
Total Assets	\$ 207,870	100	\$ 242,072	100	\$ 240,073	100	100
<u>Total Liabilities and Equity</u>							
Current Maturities	\$ 2,551	1.2	\$ 3,135	1.3	\$ 7,326	3.1	2.9
Accounts Payable	\$ 13,301	6.4	\$ 14,122	5.8	\$ 17,250	7.2	13
Accrued Expenses	\$ 22,153	10.7	\$ 23,470	9.7	\$ 23,956	10	0
Taxes Payable	\$ 1,704	0.8	\$ 2,434	1	\$ 1,620	0.7	1.9
Total Current Liab.	\$ 39,709	19.1	\$ 43,162	17.8	\$ 50,152	21	32.8
Long Term Debt	\$ 28,782	13.8	\$ 29,849	12.3	\$ 31,193	13	5.1
Deferred Items	\$ 29,352	14.1	\$ 29,137	12	\$ 31,040	12.9	1.1
Total Liabilities	\$ 97,842	47	\$ 102,148	42.1	\$ 112,385	46.9	39
Equity	\$ 110,028	52.9	\$ 139,924	57.8	\$ 127,688	53.2	33.7
Total Liab. & Equity	\$ 207,870	100	\$ 242,072	100	\$ 240,073	100	100
Working Capital	\$ 81,774	39.3	\$ 93,784	38.7	\$ 80,544	33.5	
Retained Earnings	\$ 95,372	45.9	\$ 96,657	39.9	\$ 96,702	40.3	
Current Ratio	3.1		3.2		2.6		2.1
Quick Ratio	1.7		1.7		1.4		1.3
Debt to Worth	0.9		0.7		0.9		1.5

Exhibit 3

STAR STORES, INC.
 Dupont Ratio Analysis
 For Fiscal Years Ended June 30, 1999
 (In Percentages)

PART I: Return on Equity (BT)

	Return On Equity (BT)	=	Return On Assets (BT)	x	Assets / Equity
1997	8.2		4.3		1.9
1998	4.7		2.7		1.7
1999	4.6		2.5		1.9

PART II: Return on Assets (BT)

	Return On Assets (BT)	=	Pretax Profit Margin	x	Sales / Assets
1997	4.3		3.0		1.4
1998	2.7		2.0		1.3
1999	2.5		1.8		1.4

PART III: Asset Turnover Rates

	Current Asset Turn	Non-Current Asset Turn
1997	2.5	3.4
1998	2.4	3.1
1999	2.6	3.1

Exhibit 4

STAR STORES, INC.
 Consolidated Statement of Cash Flows
 For Fiscal Years Ended June 30, 1999
 (\$ In Thousands)

	1998	1999
<i>Cash Flows From Operating Activities</i>		
Net Income(AT)	\$ 4,060	\$ 4,180
Adjustments to Reconcile		
Depreciation & Amortization	\$ 5,636	\$ 6,548
Receivables	\$ (1,932)	\$ 2,023
Inventory	\$ (10,562)	\$ 4,044
Payables	\$ 821	\$ 3,128
Deferred Taxes & Other Items	\$ 2,417	\$ 5,765
Net Cash Provided By Operating Activities	<u>\$ 441</u>	<u>\$ 25,688</u>
<i>Cash Flows From Investing Activities</i>		
Fixed Assets	\$ (13,710)	\$ (11,777)
Other Assets	<u>\$ (10,665)</u>	<u>\$ 978</u>
Net Cash Provided By Investing Activities	\$ (24,375)	\$ (10,799)
<i>Cash Flows From Financing Activities</i>		
Long Term Debt	\$ 1,068	\$ 1,343
Common Stock	\$ 25,836	\$ -
Treasury Stock	<u>\$ -</u>	<u>\$ (16,416)</u>
Net Cash Provided By Financing Activities	\$ 26,904	\$ (15,072)
Increase (Decrease) Cash & Mkt Securities	\$ 2,969	\$ (183)
Cash & Mkt Securities (Begin Year)	<u>\$ 6,781</u>	<u>\$ 9,750</u>
Cash & Mkt Securities (End Year)	<u><u>\$ 9,750</u></u>	<u><u>\$ 9,567</u></u>

Exhibit 5

STAR STORES, INC.
 Comparative Operating Cycles
 For Fiscal Years Ended June 30, 1999
 (In Days)

	1997	1998	1999	Industry Average
Sales/Receivables	77	72	67	70
COGS/Inventory	<u>101</u>	<u>109</u>	<u>96</u>	<u>104</u>
Operating Cycle	178	181	163	174
Purchases/Payables	<u>26</u>	<u>23</u>	<u>29</u>	<u>31</u>
Days to be Financed	<u><u>152</u></u>	<u><u>158</u></u>	<u><u>134</u></u>	<u><u>143</u></u>
Purchases(000's)	\$ 189,330	\$ 220,997	\$ 219,178	
Working Capital Available	\$ 81,774	\$ 93,784	\$ 80,544	
Working Capital Needed	<u>\$ 78,844</u>	<u>\$ 95,664</u>	<u>\$ 80,465</u>	
Buffer/(Deficit)	\$ 2,930	\$ (1,880)	\$ 79	