

CPI Corp. has filed for bankruptcy protection...
Let's see what the reporting history shows!

CPI Corp.
1706 Washington Ave.
ST. LOUIS, MO 63103 United States

Phone: (314) 231-1575 Ticker: [CPICQ](#)

Filed for Bankruptcy on 5/1/2013
Case # 13-11158, filed in the U.S. Bankruptcy Court for the District of Delaware
The Company's Canadian operating units, CPI Portrait Studios of Canada Corp. and CPI Canadian Images, filed for receivership in the Ontario Superior Court of Justice, on 4/15/2013.
On 5/1/2013, the Company's subsidiaries, Bella Pictures Holdings LLC, Centrics Technology, Inc., Consumer Programs Incorporated, Consumer Programs Partner, Inc., CPI Canadian Holdings, Inc., CPI Images LLC, CPI International Holdings, Inc., CPI Prints Plus, Inc., CPI Research & Development, Inc., CPI Technology Corp., Image Source, Inc., Myportraits.com Inc., Ridgedale Prints Plus, Inc., Sandy Realty Holding, LLC, and Texas Portraits L.P., filed for Chapter 7 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 11/10/2012

Business Summary

CPI Corp. (CPI) is engaged in the professional portrait photography of young children, individuals and families. As of February 4, 2012, it had 3,058 studios. throughout the United States, Canada, Mexico and Puerto Rico, under lease and license agreements with Walmart Stores, Inc. (Walmart) and license agreements with Sears, Roebuck and Co. (Sears) and Toys R Us - Delaware, Inc. (Toys R Us or TRU). The Company also offers wedding photography and videography services and products through its subsidiary, Bella Pictures Holdings, LLC (Bella Pictures or Bella). The Walmart studio operations are operating within CPI under the trade names PictureMe Portrait Studio in the United States, Walmart Portrait Studios in Canada and Estudios Fotografia de Walmart in Mexico, collectively PMPS or the PMPS brand. As of February 4, 2012, the Company operated 1,895 studios in Walmart locations globally.

Employees: 4,800 (as of 2/4/2012)

Credit Scores

| | | |
|---|-------------------------------|------------|
| FRISK® Score | 2 | 5/1/2013 |
| Probability of bankruptcy range: 5.05% - 10.34% | | |
| Z" Score | -27.09 (Fiscal danger) | 11/10/2012 |

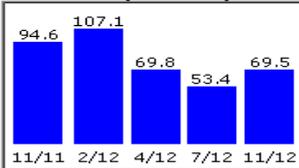
DBT Index

| | | |
|--------|--------|--------|
| 1/2013 | 2/2013 | 3/2013 |
| 7 | 7 | 7 |

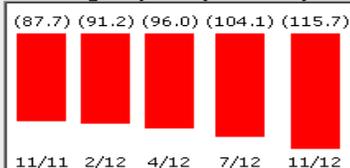
(Includes DBT Indexes from Subsidiaries)

Public companies often make consistent payments, right up to a bankruptcy... here, CPI was paying 21-30 days past due

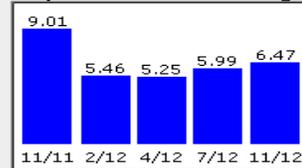
Net Sales (millions)



Working Capital (millions)



Days Sales Outstanding



Third Quarter and Year-to-Date Results

Sales for the 16 weeks ended 11/10/2012 decreased 26.50% to \$69.50 million from last year's comparable period amount of \$94.55 million. Sales for the 40 weeks ended 11/10/2012 decreased 24.12% to \$192.75 million from \$254.02 million for the same period last year.

Gross profit margin decreased 27.21% for the period to 62.55 million (90.00% of revenues) from \$85.93 million (90.88% of revenues) for the same period last year. Gross profit margin decreased 24.78% for the year-to-date period to \$175.32 million (90.96% of revenues) from \$233.07 million (91.75% of revenues) for the comparable 40 week period last year.

Selling, general and administrative expenses for the period decreased 27.68% to \$67.19 million compared with \$92.91 million for the same period last year. Selling, general and administrative expenses for the 40 weeks ended 11/10/2012 decreased 22.86% to \$180.01 million from \$233.35 million for the same period last year.

Operating income for the period decreased 11.96% to (\$13.76) million compared with operating income of (\$12.29) million for the same period last year. Operating income for the year-to-date period decreased 162.71% to (\$46.45) million compared with operating income of (\$17.68) million for the equivalent 40 weeks last year.

Net loss for the period increased 179.02% to (\$20.23) million compared with net loss of (\$7.25) million for the same period last year. Net loss for the year-to-date period increased 370.95% to (\$60.03) million compared with net loss of (\$12.75) million for the equivalent 40 weeks last year.

Net cash from operating activities was (\$13.05) million for the 40 week period, compared to net cash from operating activities of (\$12.05) million for last year's comparable period.

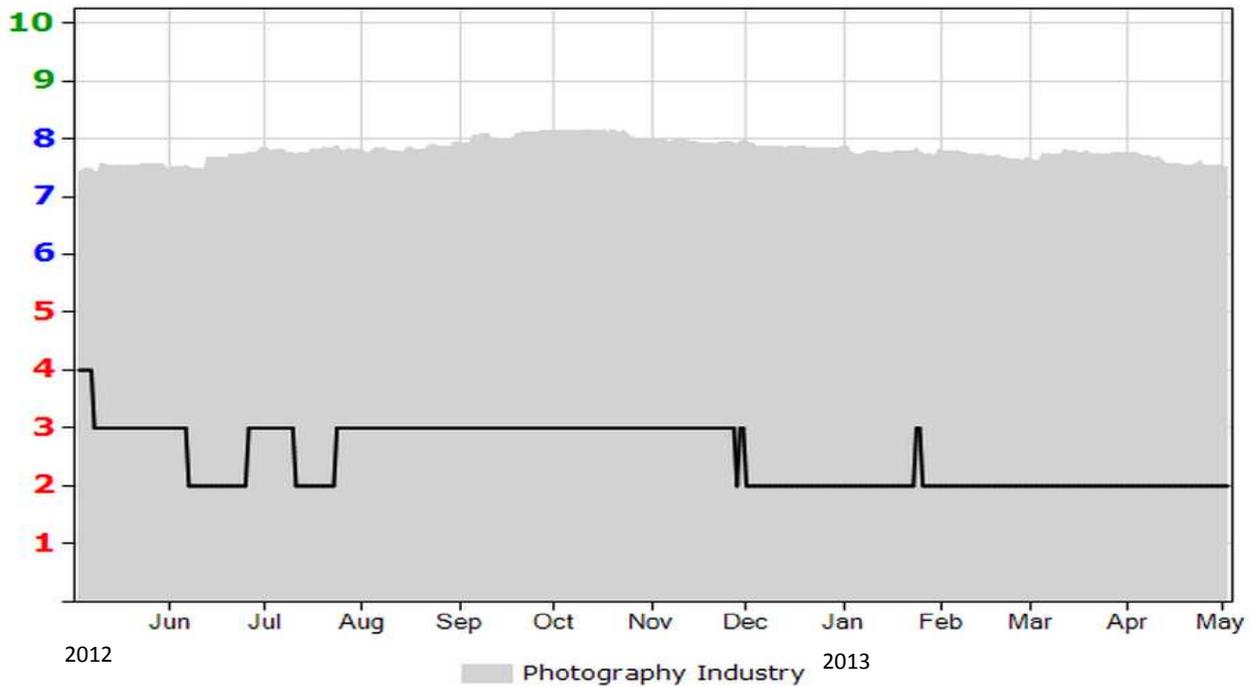
Working capital at 11/10/2012 of (\$115.68) million decreased 26.89% from the prior year end's balance of (\$91.17) million, and decreased 31.86% from (\$87.73) million at the end of last year's same period.

Inventories increased by \$55.00 thousand for the year-to-date period, compared to a \$4.17 million increase in the prior year's comparable period.

Accounts payable increased by \$493.00 thousand for the year-to-date period, compared to a \$4.37 million increase in the prior year's comparable period.

The FRISK® has been in the Red Zone for an extended period of time...

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% |
| Worst | 5 | 1.05% | 1.74% |
| | 4 | 1.74% | 3.15% |
| | 3 | 3.15% | 5.05% |
| | 2 | 5.05% | 10.34% |
| | 1 | 10.34% | 50.00% |

The Altman Z" started signaling trouble back in early 2011...

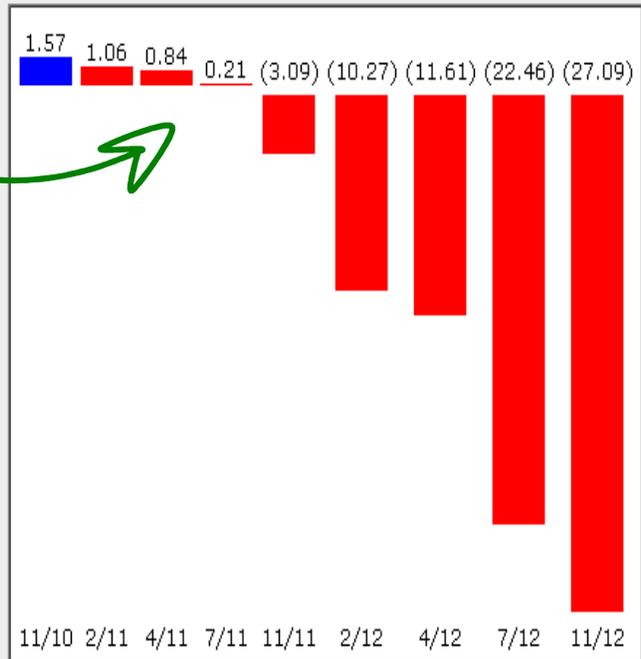
LEGEND:

Financially sound: 2.60 or higher

Neutral: 1.10 to 2.60

Fiscal danger: less than 1.10

Z" Score



Stock Performance

Detailed Quote



...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) Next Page | | | |
|--|-----------|-------------------|---|
| # | Date | Source | Headline |
| 1 | 5/1/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Bankruptcy or Receivership, Change in Directors or Principal Officers, Other Events</u> |
| 2 | 4/19/2013 | CRMZ News Service | <u>CPI CORP Files Notification of Late Filing for its Form 10-K with the Securities and Exchange Commission.</u> |
| 3 | 4/16/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Financial Statements and Exhibits</u> |
| 4 | 4/16/2013 | Canada NewsWire | <u>CPI Corp., CPI Portrait Studios of Canada Corp. and CPI Canadian Images continue to operate in the context of receivership proceedings under the Bankruptcy and Insolvency Act</u> |
| 5 | 4/15/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K/A) Disclosing Other Events</u> |
| 6 | 4/15/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Other Events, Financial Statements and Exhibits</u> |
| 7 | 4/8/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Costs Associated with Exit or Disposal Activities</u> |
| 8 | 4/3/2013 | CRMZ News Service | <u>CPI Shuttering Local Studios</u> |
| 9 | 3/18/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arra</u> |
| 10 | 3/13/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Change in Directors or Principal Officers</u> |
| 11 | 3/5/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arra</u> |
| 12 | 2/8/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arra</u> |
| 13 | 2/5/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Other Events</u> |
| 14 | 1/4/2013 | CRMZ News Service | <u>CPI CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arra</u> |
| 15 | 1/3/2013 | CRMZ News Service | <u>CPI Corp. -- updated financials available</u> |
| 16 | 1/2/2013 | CRMZ News Service | <u>Without amendments to loan, CPI will liquidate or file bankruptcy</u> |

Notification of late filing of form 10-K

Files Chapter 7

Canadian subsidiaries file for receivership

Permanent closure of all studio and store operations in the U.S. and Puerto Rico

The Company receives notice from its lenders that the lenders intend to foreclose on the security interest in the collateral of the Company.

Enters into forbearance agreement with lenders in which the lenders will forbear from exercising their rights under the Credit Agreement until a specified date.

Closings of PictureMe Portrait Studios

Resignation of Chief Marketing Officer

The Company does not have the resources to pay its credit agreement and will need to amend the current agreement or be forced into bankruptcy.

No longer meets listing standards for OTCQX

Q3 Net Loss of \$20.23 MM

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

Not Profitable...

Performance Ratios - Sequential Quarters
(Thousands of U.S. Dollars)

| Period Ended | 16 weeks 11/10/2012 | 12 weeks 7/21/2012 | 12 weeks 4/28/2012 | 12 weeks 2/4/2012 | 16 weeks 11/12/2011 |
|-----------------------------------|------------------------|-----------------------|-----------------------|----------------------|------------------------|
| Net Sales \$ | \$69,501 | \$53,440 | \$69,806 | \$107,149 | \$94,554 |
| % change | n/a | -23.45% | -34.85% | n/a | n/a |
| Gross Margin \$ | \$62,550 | \$48,379 | \$64,395 | \$98,325 | \$85,928 |
| % change | n/a | -24.87% | -34.51% | n/a | n/a |
| % of sales | 90.00% | 90.53% | 92.25% | 91.76% | 90.88% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| SG&A \$ | \$67,193 | \$51,840 | \$60,972 | \$83,650 | \$92,914 |
| % change | n/a | -14.98% | -27.11% | n/a | n/a |
| % of sales | 96.68% | 97.01% | 87.34% | 78.07% | 98.27% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| Operating margin \$ | (\$13,764) | (\$29,908) | (\$2,773) | (\$20,483) | (\$12,294) |
| % change | n/a | -978.54% | 86.46% | n/a | n/a |
| % of sales | -19.80% | -55.97% | -3.97% | -19.12% | -13.08% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| EBITDA \$ | (\$11,811) | (\$27,976) | (\$703) | (\$17,093) | (\$7,966) |
| % change | n/a | -3,879.52% | 95.89% | n/a | n/a |
| % of sales | -16.99% | -52.35% | -1.01% | -15.95% | -8.42% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| Pre-tax income \$ | (\$19,910) | (\$34,171) | (\$3,697) | (\$21,353) | (\$13,861) |
| % change | n/a | -824.29% | 82.69% | n/a | n/a |
| % of sales | -28.65% | -63.94% | -5.30% | -19.93% | -14.66% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| Net income (loss) \$ | (\$20,229) | (\$35,159) | (\$4,644) | (\$43,938) | (\$7,250) |
| % change | n/a | -657.08% | 89.43% | n/a | n/a |
| % of sales | -29.11% | -65.79% | -6.65% | -41.01% | -7.67% |
| change as % of incremental sales | n/a | n/m | n/m | n/a | n/a |
| Tax expense \$ | \$176 | (\$281) | \$388 | \$22,628 | (\$7,442) |
| Effective tax rate | -0.88% | 0.82% | -10.50% | -105.97% | 53.69% |
| Depreciation expense \$ | \$2,031 | \$1,871 | \$2,182 | \$3,229 | \$4,609 |
| % of sales | 2.92% | 3.50% | 3.13% | 3.01% | 4.87% |
| % of capital expenses | 247.38% | 471.28% | 168.36% | 187.19% | 131.54% |
| % of PP&E, net (annualized) | 73.94% | 56.68% | 49.74% | 50.66% | 41.56% |
| Capital expenditures \$ | \$821 | \$397 | \$1,296 | \$1,725 | \$3,504 |
| % change | n/a | -69.37% | -24.87% | n/a | n/a |
| % of PP&E, net (annualized) | 29.89% | 12.03% | 29.55% | 27.06% | 31.59% |
| % of working capital (annualized) | -2.24% | -1.59% | -5.54% | -7.71% | -19.30% |
| Interest coverage ratio | (1.95) | (6.42) | (0.91) | (17.59) | (6.19) |
| % change | n/a | -607.20% | 94.84% | n/a | n/a |
| Free cash flow \$ | (\$4,633) | (\$5,997) | (\$4,929) | \$4,616 | (\$13,177) |
| % change | n/a | -21.67% | -206.78% | n/a | n/a |
| Source: | 10-Q 1/1/2013 | 10-Q 8/30/2012 | 10-Q 8/30/2012 | 10-K 5/7/2012 | 10-Q 1/1/2013 |

Negative Cash Flow...

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

Negative and declining stockholder's equity and tangible net worth...

Leverage Ratios - Sequential Quarters
(Thousands of U.S. Dollars)

| Period Ended | 11/10/2012 | 7/21/2012 | 4/28/2012 | 2/4/2012 | 11/12/2011 |
|--------------------------------------|------------------|-------------------|------------------|------------------|--------------------|
| Total debt \$ | \$79,388 | \$79,188 | \$76,088 | \$74,000 | \$73,500 |
| % change | 0.25% | 4.07% | 2.82% | 0.68% | 30.78% |
| Stockholders' equity \$ | (\$118,390) | (\$98,319) | (\$63,118) | (\$58,664) | (\$3,496) |
| % change | -20.41% | -55.77% | -7.59% | -1,578.03% | -163.33% |
| Tangible net worth \$ | (\$135,136) | (\$118,637) | (\$102,992) | (\$98,872) | (\$61,206) |
| % change | -13.91% | -15.19% | -4.17% | -61.54% | -14.46% |
| Total assets \$ | \$56,196 | \$61,043 | \$90,370 | \$94,530 | \$155,361 |
| % change | -7.94% | -32.45% | -4.40% | -39.15% | 10.63% |
| Total debt to assets ratio | 1.41 | 1.30 | 0.84 | 0.78 | 0.47 |
| % change | 8.90% | 54.06% | 7.56% | 65.46% | 18.22% |
| Net tangible assets \$ | \$39,450 | \$40,725 | \$50,496 | \$54,322 | \$97,651 |
| % change | -3.13% | -19.35% | -7.04% | -44.37% | 19.91% |
| Short-term debt \$ | \$79,388 | \$79,188 | \$76,088 | \$74,000 | \$73,500 |
| % change | 0.25% | 4.07% | 2.82% | 0.68% | n/a |
| Short-term debt % of total debt | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Short-term debt % of working capital | -68.63% | -76.10% | -79.27% | -81.17% | -83.78% |
| % change | 9.83% | 4.00% | 2.34% | 3.12% | n/a |
| Total liabilities \$ | \$174,586 | \$159,362 | \$153,488 | \$153,194 | \$158,857 |
| % change | 9.55% | 3.83% | 0.19% | -3.56% | 17.75% |
| Source: | 10-Q 1/1/2013 | 10-Q 8/30/2012 | 10-Q 6/7/2012 | 10-K 5/7/2012 | 10-Q 12/22/2011 |

Short-term debt is 100% of the Company's total debt...

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

Negative Working Capital...

| Liquidity Ratios - Sequential Quarters | | | | | |
|--|--------------------|--------------------|-------------------|-------------------|--------------------|
| (Thousands of U.S. Dollars) | | | | | |
| Period Ended | 11/10/2012 | 7/21/2012 | 4/28/2012 | 2/4/2012 | 11/12/2011 |
| Current assets \$ | \$20,766 | \$20,141 | \$21,879 | \$25,335 | \$43,492 |
| % change | 3.10% | -7.94% | -13.64% | -41.75% | 64.62% |
| % of short-term debt | 26.16% | 25.43% | 28.75% | 34.24% | 59.17% |
| Current liabilities \$ | \$136,448 | \$124,193 | \$117,863 | \$116,504 | \$131,220 |
| % change | 9.87% | 5.37% | 1.17% | -11.21% | 175.53% |
| Working capital \$ | (\$115,682) | (\$104,052) | (\$95,984) | (\$91,169) | (\$87,728) |
| % change | -11.18% | -8.41% | -5.28% | -3.92% | -313.73% |
| % of sales (annualized) | -55.48% | -48.68% | -34.38% | -21.27% | -30.93% |
| Cash \$ | \$3,912 | \$1,937 | \$5,814 | \$8,524 | \$4,589 |
| % change | 101.96% | -66.68% | -31.79% | 85.75% | 74.09% |
| % of short-term debt | 4.93% | 2.45% | 7.64% | 11.52% | 6.24% |
| Cash ratio | 0.03 | 0.02 | 0.05 | 0.07 | 0.04 |
| % change | 83.97% | -68.36% | -32.65% | 109.14% | -36.82% |
| Quick assets \$ | \$7,701 | \$5,540 | \$9,226 | \$13,140 | \$12,798 |
| % change | 39.01% | -39.95% | -29.79% | 2.67% | 51.71% |
| % of short-term debt | 9.70% | 7.00% | 12.13% | 17.76% | 17.41% |
| Quick ratio | 0.06 | 0.04 | 0.08 | 0.11 | 0.10 |
| % change | 26.46% | -43.04% | -30.59% | 15.69% | -44.95% |
| Current ratio | 0.15 | 0.16 | 0.19 | 0.22 | 0.33 |
| % change | -6.17% | -12.61% | -14.67% | -34.37% | -40.27% |
| Source: | 10-Q 1/1/2013 | 10-Q 8/30/2012 | 10-Q 6/7/2012 | 10-K 5/7/2012 | 10-Q 12/22/2011 |

Extremely low cash ratio...

Negative rates of return...

| Rates of Return - Sequential Quarters | | | | | |
|---------------------------------------|------------------------|-----------------------|-----------------------|----------------------|------------------------|
| (Thousands of U.S. Dollars) | | | | | |
| Period Ended | 16 weeks 11/10/2012 | 12 weeks 7/21/2012 | 12 weeks 4/28/2012 | 12 weeks 2/4/2012 | 16 weeks 11/12/2011 |
| Return on equity | n/a | n/a | n/a | n/a | -131.34% |
| Return on total assets | -34.51% | -46.44% | -5.02% | -35.17% | -4.90% |
| % change | n/a | -824.52% | 85.72% | n/a | n/a |
| Return on net tangible assets | -50.46% | -77.09% | -8.86% | -57.82% | -8.10% |
| % change | n/a | -769.93% | 84.68% | n/a | n/a |
| Source: | 10-Q 1/1/2013 | 10-Q 8/30/2012 | 10-Q 8/30/2012 | 10-K 5/7/2012 | 10-Q 1/1/2013 |

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

| Peer Analysis | | | | | | |
|---|---------------------------|------------------------|--|------------------|-----------|------------|
| Calendar Year/Quarter: 2012.3 | | | | | | |
| Peer Group: Sector: Consumer Cyclical, Industry: Photography | | | | | | |
| Refresh | | | | | | |
| [Sector: Consumer Cyclical] [Industry: Photography] [Calendar Year/Quarter: 2012.3] | | | | | | |
| Businesses in Peer Group: 88 | Ranking Within Peer Group | Number Of Peers Ranked | Company Value | Peer Group Range | | |
| | | | | Low | Median | High |
| Credit Ratings: | | | | | | |
| ZScore -- Current Quarter | 34 | 34 | (27.09) | (27.09) | 3.07 | 16.81 |
| Performance ratios: | | | | | | |
| Net Sales (Thousands of U.S. Dollars) | 4 | 7 | 69,501.00 | 4,231.00 | 69,501.00 | 125,368.00 |
| Gross Margin % of Sales -- Current Quarter | 1 | 34 | 90.00 | (20.61) | 26.63 | 90.00 |
| Gross margin % of Sales -- TTM | 1 | 34 | 91.25 | 0.09 | 25.71 | 91.25 |
| SG&A % of Sales -- Current Quarter | 34 | 34 | 96.68 | 4.82 | 18.42 | 96.68 |
| SG&A % of Sales -- TTM | 34 | 34 | 87.92 | 5.45 | 18.63 | 87.92 |
| Operating Margin % of Sales -- Current Quarter | 31 | 34 | (19.80) | (2,590.21) | 3.00 | 20.13 |
| Operating Margin % of Sales -- TTM | 32 | 34 | (22.32) | (1,526.55) | 4.14 | 18.35 |
| EBITDA Margin % of Sales -- Current Quarter | 22 | 23 | (16.99) | (2,134.09) | 4.37 | 27.79 |
| EBITDA Margin % of Sales -- TTM | 32 | 34 | (19.20) | (1,171.80) | 7.89 | 29.90 |
| Net Profit Margin % of Sales -- Current Quarter | 32 | 34 | (29.11) | (2,582.47) | 2.16 | 13.69 |
| Net Profit Margin % of Sales -- TTM | 32 | 34 | (34.67) | (1,519.20) | 2.09 | 12.64 |
| Pre-tax Income % of Sales -- Current Quarter | 32 | 34 | (28.65) | (2,590.21) | 2.58 | 19.74 |
| Effective Tax Rate | 6 | 34 | (0.88) | (6.70) | 23.94 | 6,666.67 |
| Depreciation % Of Prop/Plant/Equipment | 31 | 31 | 73.94 | 3.53 | 17.89 | 73.94 |
| CapitalExpense % Of Prop/Plant/Equipment | 14 | 19 | 29.89 | 1.22 | 13.59 | 70.96 |
| Interest Coverage -- Current Quarter | 14 | 18 | (1.95) | (77.71) | 4.07 | 156.23 |
| Interest Coverage -- TTM | 30 | 31 | (4.73) | (26.50) | 6.34 | 174.36 |
| Liquidity ratios: | | | | | | |
| Cash Ratio | 34 | 34 | 0.03 | 0.03 | 0.43 | 6.03 |
| Quick Ratio | 34 | 34 | 0.06 | 0.06 | 0.87 | 6.39 |
| Current Ratio | 34 | 34 | 0.15 | 0.15 | 1.64 | 8.95 |
| Efficiency ratios: | | | | | | |
| Accounts Receivable Turnover | 1 | 34 | 56.41 | 2.48 | 5.79 | 56.41 |
| Days Sales Outstanding | 1 | 34 | 6.47 | 6.47 | 63.25 | 147.20 |
| % Inventory Financed by Vendors -- Current Quarter | 14 | 34 | 72.62 | 0.22 | 52.67 | 344.13 |
| % Inventory Financed by Vendors -- TTM | 14 | 34 | 69.67 | 0.23 | 53.96 | 303.59 |
| Inventory Turnover (annualized) -- Current Quarter | 26 | 34 | 2.80 | 1.45 | 3.83 | 46.66 |
| Inventory Turnover -- TTM | 25 | 34 | 3.09 | 1.40 | 3.75 | 66.41 |
| Days Sales in Inventory | 26 | 34 | 130.49 | 7.82 | 95.26 | 252.51 |
| Inventory to Working Capital | 34 | 34 | (0.07) | (2.13) | 0.44 | 22.44 |
| Accounts Payable Turnover (annualized) -- Current Quarter | 31 | 34 | 4.01 | 3.39 | 6.97 | 665.13 |
| Accounts Payable Turnover -- TTM | 27 | 34 | 4.52 | 2.89 | 7.77 | 493.65 |
| Leverage & debt coverage: | | | | | | |
| Total Debt to Equity Ratio | N/A | 28 | N/A | 0.00 | 0.42 | 2.32 |
| Debt to Tangible Equity Ratio | N/A | 28 | N/A | 0.00 | 0.45 | 2.96 |
| Total Debt to Assets Ratio | 29 | 30 | 1.41 | 0.00 | 0.23 | 1.71 |
| Short-Term Debt % of Total Debt | 24 | 27 | 100.00 | 2.81 | 62.60 | 100.00 |
| Short-Term Debt % of Working Capital | 27 | 27 | (68.63) | (563.49) | 43.06 | 7,937.07 |
| Liabilities to Net Worth Ratio | N/A | 32 | N/A | 0.10 | 0.85 | 7.49 |
| Total Liabilities to Equity Ratio | N/A | 32 | N/A | 0.10 | 0.72 | 3.49 |
| 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 nearly all ratios vs. the Photography Industry...

In the August MD&A, the Company tells us that there is a liquidity shortfall and there may be a need to reorganize its capital structure. If financing is not available, the Company may be forced into bankruptcy.

CreditRiskMonitor (CRMZ)

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

| Report | CPI Corp. 1706 Washington Ave. ST. LOUIS, MO 63103 United States Phone: (314) 231-1575 Ticker: CPIQO |
|--------------------------|---|
| Overview | Filed for Bankruptcy on 5/1/2013 Case # 13-11158, filed in the U.S. Bankruptcy Court for the District of Delaware |
| Company News | The Company's Canadian operating units, CPI Portrait Studios of Canada Corp. and CPI Canadian Images, filed for receivership in the Ontario Superior Court of Justice, on 4/15/2013. |
| Risk Ratings | On 5/1/2013, the Company's subsidiaries, Bella Pictures Holdings LLC, Centrics Technology, Inc., Consumer Programs Incorporated, Consumer Programs Partner, Inc., CPI Canadian Holdings, Inc., CPI Images LLC, CPI International Holdings, Inc., CPI Prints Plus, Inc., CPI Research & Development, Inc., CPI Technology Corp., Image Source, Inc., Myportraits.com Inc., Ridgedale Prints Plus, Inc., Sandy Realty Holding, LLC, and Texas Portraits L.P., filed for Chapter 7 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware |
| Important Information | |
| Annual Financials | |
| Year/Year Interim | |
| Sequential Quarters | |
| Liquidity (MD&A) | |
| SEC Filings | |
| Peer Analysis | |
| Payments | |
| Public Filings | |
| General Info | |
| Access History | |
| Update Portfolio | |
| Print/Save Report | |
| Currency Converter | |
| Send This to a Colleague | |

Management Discussion and Analysis

For the period ended 7/21/2012

Management is implementing plans to improve liquidity through improvements to results from operations, store closures, cost reductions and operational alternatives. However, there can be no assurance that we will be successful with our plans or that our future results of operations will improve. If sales trends do not improve, our available liquidity from cash flows from operations will be materially adversely affected. There can be no assurance that we will be able to improve cash flows from operations, or that we will be able to comply with the terms of the Second Amendment. Therefore, there can be no guarantee that our existing sources of cash and our future cash flows from operations will be adequate to meet our liquidity requirements, including cash requirements that are due under the Credit Agreement and that are needed to fund our business operations. If we are unable to address our liquidity shortfall or comply with the terms of our Credit Agreement, as amended, then our business and operating results would be materially adversely affected, and the Company may then need to curtail its business operations, reorganize its capital structure, or liquidate.

Should the Company not be able to sell its business by December 31, 2012, in accordance with the Second Amendment, it could be forced to seek additional financing, which may not be available, curtail its business operations and/or reorganize its capital structure, or be forced into bankruptcy. An orderly liquidation may also be required under the Second Amendment, which could result in the wind down of all or part of the Company's operations. The outcome of restructuring and sale initiatives required by the Credit Agreement is uncertain and an unfavorable outcome would have a detrimental impact on the business. The amounts owed under the Credit Agreement are due December 31, 2012. If the Company is not able to refinance its indebtedness at that time, the Company may then need to curtail its business operations, liquidate or be forced into bankruptcy.

Finally, in the December MD&A, the Company states that its liquidity shortfall does not allow for the repayment of the amounts due under the Credit Agreement. If there are no additional amendments to the Credit Agreement, then the Company may be forced into liquidation...
 ...and in May they file for bankruptcy.

CreditRiskMonitor (CRMZ)

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

| | |
|--------------------------|--|
| Report | CPI Corp. 1706 Washington Ave. ST. LOUIS, MO 63103 United States Ticker: CPIQO |
| Overview | Phone: (314) 231-1575 |
| Company News | Filed for Bankruptcy on 5/1/2013 Case #13-11158, filed in the U.S. Bankruptcy Court for the District of Delaware The Company's Canadian operating units, CPI Portrait Studios of Canada Corp. and CPI Canadian Images, filed for receivership in the Ontario Superior Court of Justice, on 4/15/2013. On 5/1/2013, the Company's subsidiaries, Bella Pictures Holdings LLC, Centrics Technology, Inc., Consumer Programs Incorporated, Consumer Programs Partner, Inc., CPI Canadian Holdings, Inc., CPI Images LLC, CPI International Holdings, Inc., CPI Prints Plus, Inc., CPI Research & Development, Inc., CPI Technology Corp., Image Source, Inc., Myportraits.com Inc., Ridgedale Prints Plus, Inc., Sandy Realty Holding, LLC, and Texas Portraits L.P., filed for Chapter 7 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware |
| Risk Ratings | |
| Important Information | |
| Annual Financials | |
| Year/Year Interim | |
| Sequential Quarters | |
| Liquidity (MD&A) | |
| SEC Filings | |
| Peer Analysis | |
| Payments | |
| Public Filings | Jump to Liquidity section |
| General Info | |
| Access History | |
| Update Portfolio | |
| Print/Save Report | |
| Currency Converter | |
| Send This to a Colleague | |

Management Discussion and Analysis

For the period ended 11/10/2012

If sales trends do not improve, our available liquidity from cash flows from operations will be materially adversely affected. There can be no assurance that we will be able to improve cash flows from operations, or that we will be able to comply with the terms of the Credit Agreement, as amended. Currently, the Company does not have sufficient resources to repay amounts as they become due under the Credit Agreement. Therefore, there can be no guarantee that our existing sources of cash and our future cash flows from operations will be adequate to meet our liquidity requirements, including cash requirements that are due under the Credit Agreement and that are needed to fund our business operations. If we are unable to address our liquidity shortfall or comply with the terms of our Credit Agreement, as amended, then our business and operating results would be materially adversely affected, and the Company may then need to further curtail its business operations, reorganize its capital structure, or liquidate.

The Credit Agreement and amounts owed thereunder are currently due. The Company is currently negotiating a forbearance agreement under which it is expected that the lenders will forbear from exercising their rights and remedies under the Credit Agreement until mid-January, subject to the Company's compliance with certain conditions. If the Company is unable to secure additional amendments to the Credit Agreement, the Company may be forced into an orderly liquidation or bankruptcy. The outcome of restructuring and sale initiatives required by the Credit Agreement, as amended, is uncertain and involves matters that are outside of the Company's control.