Furniture Outlet Moves In

EMPTY WAL-MART HOME TO FAMILY ENTERPRISE

By Mary L. Crider
TIMES RECORD • MCRIDER@SWTIMES.COM

Last week, the empty 68,526-square-foot Van Buren Wal-Mart store became a Wholesale Plus Furniture Outlet store, which should remove it from the 21-page nationwide Web listing of available, empty Wal-Mart Corp.-owned and -leased buildings.

The store, the second for a Rogers-based Miears family-owned corporation, will serve as Wholesale Plus Furniture Outlet's warehouse operations as well as a retail store, Sales Manager Perry Miears said Thursday.

"Business is going good. We got a good response. We've had a lot of people coming in," Miears said.

The building at 332 Cloverleaf Plaza on U.S. 64 just off the Interstate 540 ramp has been empty since Wal-Mart opened a 187,775-square-foot Supercenter on Arkansas 59 North in Van Buren in April 2000. The Supercenter was the Bentonville-based retail giant's third store in Van Buren. Both previous stores were in Cloverleaf Plaza.

In March 1969, Wal-Mart opened a 27,550-square-foot store in the shopping center — it was Wal-Mart's 17th store overall. In 1986, Wal-Mart opened the expanded, 68,526-square-foot store. Before super-sizing, Wal-Mart employed about 275 people at the Cloverleaf Plaza location.

Wholesale Plus Furniture Outlet employs about a half-dozen in Van Buren, currently family and friends, Meiars said.

Meiars said the company chose the location because the area was good and the building big. Demographics played a role, he said, but Wholesale Plus Furniture Outlet also hopes to draw customers from Fort Smith.

Wholesale Plus Furniture's stock derives from overstocks, closeouts, bankruptcies, canceled shipments and the like.

Asked about lease terms, Meiars said the company intends to stay in the area "as long as everyone is cooperative and buys furniture." Meiars said he didn't know how much the company invested in the new store.

Remodeling will be minimal, "just cleaning the floors up," he said.

BUSINESS REINVESTMENT

Acxiom Announces Stock Buyback

PROGRAM ALLOWS COMPANY TO REPURCHASE SHARES ON OPEN MARKET

By Wesley Brown
ARKANSAS NEWS BUREAU
WBROWN@ARKANSASNEWS.COM

LITTLE ROCK — Acxiom Corp.'s board of directors announced Thursday that it has authorized the company's management to buy back its common stock, which has been languishing below $15 a share through most of the year.

The board's actions allows Acxiom to repurchase its stock "from time to time" on the open market or through private deals, "depending on prevailing market conditions and other factors," Acxiom said in a news release.

Acxiom spokesman Robert Bloom said the company's management went to the board in October and asked it to approve the measure.

"We feel that our stock is somewhat undervalued and we wanted to have some dry powder in place so that we could have some flexibility to buy back our stock when we see good opportunities in the market," he said.

Bloom, who would not disclose the maximum number of shares the board authorized Acxiom's management to buy or at what price, added that the stock buyback program may be suspended or discontinued at any time.

In Thursday's trading session, Acxiom shares ended up 2.65 percent, or 35 cents at $13.54. Its stock prices have ranged from $11.80 to $19.66 over the past year.

Over the last 18 months, Acxiom has put an emphasis on free cash flow, which is cash generated by a business after all its bills are paid.

Analysts say that companies that generate excess cash have the financial flexibility to reinvest in their businesses, to pay down debt, to buy back shares or to boost their dividend payments — all of which are attractive to investors.

In late October, Acxiom reported that its free cash flow of $45.3 million for the second quarter exceeded the company's internal projection. In the first half of the year, Acxiom generated nearly $92 million in free cash flow and used that cash to pay off the company's revolving line of credit.

Over the five previous quarters, the company has generated free cash flow of more than $220 million.

Bloom said since the Little Rock-based data software provider began focusing on free cash flow, its main goals has been retiring debt.

Acxiom's board last authorized a stock buyback program in December 1999, when the company engaged in a contract to acquire 3.1 million shares of common stock at an average price of nearly $21. The settlement date was March 2002.

COLOR KIDS COMFY

KAIA LARSEN • TIMES RECORD

Housekeeper Mary Comer straightens up in the Crayola Kids room Thursday at the Alma Howard Johnson. The Crayola Kids room is a hotel suite with separate children's play areas.

Alma Has New Howard Johnson

FORMAL GRAND OPENING POSTPONED UNTIL DECEMBER BECAUSE OF PORT LOCKOUT

By Mary L. Crider
TIMES RECORD • MCRIDER@SWTIMES.COM

John Robert Ballentine's new 62-room Howard Johnson Express Inn in Alma opened quietly on Oct. 18 and has been keeping busy since.

Ballentine said Thursday the hotel has enjoyed bookings from events at the Alma Performing Arts center, events in nearby Fort Smith and filled up for ballgame weekends at the University of Arkansas at Fayetteville. The hotel already has 20 rooms booked for a performance of the Nutcracker in December, he said.

Ballentine, a developer as well as Alma's mayor, began building the $1.8 million HoJo at 439 E. U.S. 71 North, the site of his former 38-room Alma Inn motel, in spring 2001. The project was financed through the Bank of the Ozarks, Ballentine said last year. Kibler-based CCB Construction Inc., a hotel-construction company owned by Wayne "Bubba" Bailey, was general contractor.

Remodeled to Howard Johnson standards, the former motel is part of the new hotel. Forty-four rooms are in the new, two-story addition, Ballentine said. The West Coast dock lockout last month delayed the opening of the 18 rooms in the older section because some needed furniture and equipment is still sitting on the dock, he said. As a result, a hotel grand opening is postponed until December, Ballentine said.

The hotel employs eight full-time staff and two part-time staff; more employees may be added in the busy season, he said.

Amenities include eight suites; five "business" rooms featuring desks, Internet access and cordless phones for business travelers; a business center with high-speed Internet access; an indoor spa and hot tub; an exercise room; a video arcade; a 25- to 30-seat meeting area and two Crayola Kids rooms — a new concept for the hotel brand.

According to Howard Johnson literature, the Alma hotel is among about 30 Howard Johnson properties offering Crayola Kids rooms. The rooms include Crayola brand lamps, clock/radio, easels and accessories, videocassette player, minifridge, microwave oven, night light, child-size furniture and colorful furnishings.

The franchise obligates hotel owners to use Howard Johnsons' preferred suppliers. Still, some furnishings came from local manufacturers, Ballentine said. Arkansas Lamp Mfg. Co. of Van Buren provided the lamps. Eads Bros. of Fort Smith provided mattresses, and a Muldrow, Okla., man made the sleeper sofas and chairs, Ballentine said.

Parsippany, N.J.-based Howard Johnson is a subsidiary of New York-based Cendant Corp., which also franchises Super 8 Motel, Days Inn, Knights Inn, Travelodge, Ramada Inn, Shoppers Advantage, Jackson Hewitt Tax Service, Coldwell Banker and Century 21. According to the company, there are about 500 Howard Johnson hotels worldwide.

Ford To Pay Pensions $1 Billion

By John Porretto
THE ASSOCIATED PRESS

DETROIT — Ford Motor Co. said Thursday it will contribute $1 billion to its underfunded pension plans over the next two years, expenses the company said should not hamper its ongoing restructuring.

Ford vice president and treasurer Malcolm Macdonald said the company will provide $500 million in 2003 and $500 million in 2004 to the plans, which are expected to be underfunded by $6.2 billion by year's end.

Macdonald said the Dearborn-based automaker, the world's second-largest behind General Motors Corp., has ample liquidity to cover the contributions, including $25.7 billion in cash.

The company said its payments will be well ahead of regulatory requirements.

"Overall, we believe our pension obligations are very manageable," Macdonald said in a conference call with analysts and reporters.

Ford, which has maintained pension plans for more than 50 years, said its return on U.S. pension assets was off 11.5 percent through Oct. 31.

Slumping investment returns in the equities markets and a growing number of retirees are the biggest factors contributing to underfunded plans, which are affecting companies in all facets of the economy.

But the sluggishness comes at a particularly precarious time for Ford, which is in the 11th month of a revitalization plan that calls for the elimination of jobs, models and plants. The goal is to improve profits by $9 billion by mid-decade. Ford lost more than $5 billion last year.

On Wednesday, Moody's Investors Service affirmed its corporate credit ratings for Ford and its finance arm, saying the liquidity of both "remains sound."

In trading Thursday on the New York Stock Exchange, Ford shares rose 28 cents, or 3.3 percent, to close at $8.80.

Zale Posts Earnings Losses

THE ASSOCIATED PRESS.

DALLAS — Jewelry retailer Zale Corp., bruised by the sluggish economy and lighter traffic in the malls, posted a loss for its fiscal first quarter, but the results met Wall Street's expectations.

North America's largest jewelry chain said Thursday it lost $6.7 million, or 20 cents per share, in the three months ended Oct. 31. That compares with a profit of $37.64 million, or $1.08 per share, in the year-ago period.

Analysts surveyed by Thomson First Call expected a loss of 20 cents, which had been revised from a 10 cent loss last month when Zale said that results would be worse than previously expected because of a challenging environment.

Revenue in the quarter was sluggish, at $412 million compared to $410 million a year earlier.

Sales at stores opened at least a year, known as same-store sales slipped 0.6 percent, Zale said.

Same-store sales are considered a key measure of a retailer's health.

The Dallas-based chain operates 2,300 stores under several banners, including Zales Jewelers, Gordon's Jewelers and Bailey Banks & Biddle Fine Jewelers.

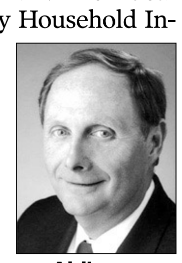
Zale shares rose 42 cents, or 1.4 percent, to close Thursday at $30.05 on the New York Stock Exchange.

HSBC To Purchase Household International

AFTER TAKEOVER, ASSETS OF COMBINED COMPANIES WILL RANK AMONG TOP FIVE U.S. FINANCIAL INSTITUTIONS

By Herbert G. McCann
THE ASSOCIATED PRESS

CHICAGO — HSBC Holdings PLC announced a $14.2 billion deal Thursday to buy Household International Inc., which owns the Beneficial and Household Finance brands and is the largest independent consumer finance company in United States.



Aldinger

London-based HSBC, known best for banking in emerging markets in Asia, would greatly expand its North American presence and its consumer lending business with the acquisition. Household, which earned $1.2 billion for the nine months ending Sept. 30, makes personal loans for houses, cars and other uses.

Shares of Household surged more than 22 percent on the news, while HSBC's shares slipped more than 3 percent.

Joel Gomberg, an analyst with William Blair & Co., called it a good deal for HSBC, noting Household's stock was trading at a seven-year low at the time the deal was announced.

"They are getting it fairly cheap," he said.

Managers of both companies are recommending the buyout, but shareholders and regulatory authorities must approve. The companies expect to complete the deal during the first quarter of 2003.

Under the agreement, Household shareholders would receive 2.675 HSBC ordinary shares traded in London for each Household share. The deal valued Household at $30 per share — a 33 percent premium over the closing price Wednesday — when it was announced, but the value shrank as HSBC stock fell Thursday.

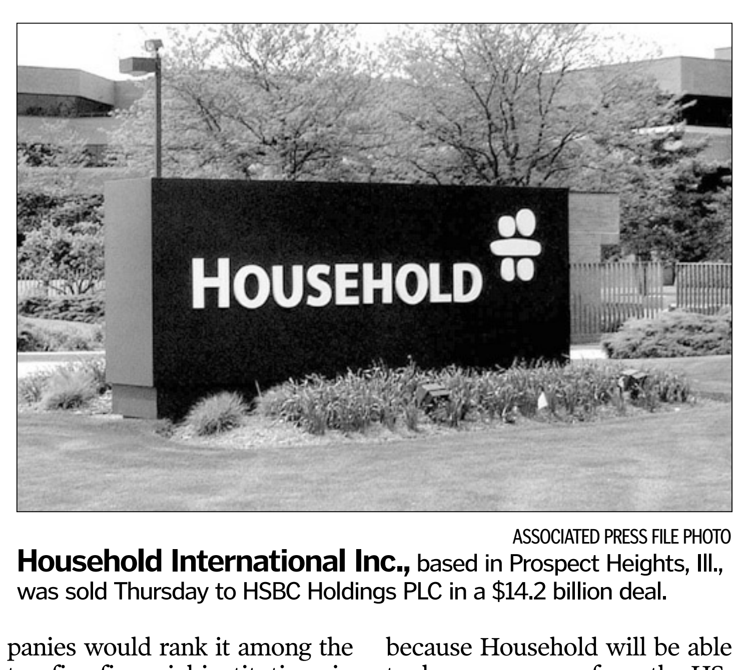
HSBC also would pay $1.1 billion in cash for some of Household's preferred stock, for a total of about $14.2 billion.

In Thursday trading, Household shares surged $5.04 to close at $27.50, while HSBC's U.S.-traded shares fell $1.85 to $54.20 on the New York Stock Exchange.

In a telephone conference with reporters Thursday, Youssef A. Nasr, president and chief executive of HSBC North America Inc., called the deal "a tremendous opportunity" that would give HSBC a "much more diversified presence across the United States."

The deal will generate cost savings in information technology, administrative support and the consolidation of credit card processing, the companies said.

William F. Aldinger, Household's chairman and chief executive, said that after the takeover, the assets of the combined companies would rank it among the top five financial institutions in the United States.



ASSOCIATED PRESS FILE PHOTO

Household International Inc., based in Prospect Heights, Ill., was sold Thursday to HSBC Holdings PLC in a $14.2 billion deal.

He said Household would benefit from "lower funding costs" because Household will be able to draw on money from the HSBC deposit base rather than having to tap more-expensive capital markets.