SYMS CORP
Form 10-K
May 13, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
(Mark one)
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended February 26, 2011
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 1-8546

SYMS CORP
(Exact name of registrant as specified in its charter)

NEW JERSEY	No. 22-2465228
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

One Syms Way, Secaucus, New Jersey	07094
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (201) 902-9600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each class	Name of Each Exchange on Which Registered
Common Stock, $0.05 Par Value Per Share	NASDAQ

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act
Yes ¨ No þ
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No þ
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ¨ No þ

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ¨ No ¨ Not Applicable þ

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:
Large Accelerated Filer ¨ Accelerated Filer þ Non-Accelerated Filer ¨ Smaller Reporting Company ¨
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ¨ No þ

As of August 28, 2010, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $50,548,000 based on the closing sale price as reported on the NASDAQ Global Select Market.

As of May 6, 2011, 14,448,188 shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2011 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report.

Form 10-K Index

PART I

Item 1. BUSINESS

General

Syms Corp (”Syms” or the “Company”) and its wholly-owned subsidiary Filene’s Basement, LLC (“Filene’s”, “Filene’s, LL or “Filene’s Basement”) collectively own and operate a chain of 47 “off-price” retail stores under the “Syms” name (which are owned and operated by the Company) and “Filene’s Basement” name (which are owned and operated by Filene’s, LLC). The stores are located in the United States throughout the Northeastern and Middle Atlantic regions and in the Midwest, Southeast and Southwest. Each Syms store offers a broad range of first quality, in-season merchandise bearing nationally recognized designer or brand-name labels for men, women and children at prices substantially lower than those generally found in department and specialty stores. On June 18, 2009, the Company’s, wholly-owned subsidiary, SYL, LLC now known as Filene’s Basement, LLC acquired certain real property leases, inventory, equipment and other assets of Filene’s Basement Inc. (“Filene’s Inc.” or “Filene’s Basement Inc.”), a retail clothing chain, pursuant to an auction conducted in accordance with § 363 of the Federal Bankruptcy Code. As a result, Filene’s, LLC owns and operates 21 Filene’s Basement stores that are located in the Northeastern, Middle Atlantic, Midwest and Southeast regions. Filene’s Basement also offers a broad range of first quality brand name and designer clothing for men, women and children. In addition, Syms owns and operates 5 co-branded Syms/Filene’s Basement stores. Syms and Filene’s, LLC operate in a single operating segment – the “off-price” retail stores segment.

The Company was incorporated in New Jersey in 1983. The Company maintains its headquarters at One Syms Way, Secaucus, New Jersey 07094, telephone (201) 902-9600. Unless otherwise noted, and notwithstanding that Syms Corp. owns and operates Syms and co-branded Syms/Filene’s Basement stores and Filene’s, LLC is a separate legal entity and owns and operates Filene’s Basement stores, references to the “Company”, “we” or “our” relate to Syms Corp, including its wholly-owned subsidiary Filene’s, LLC. Our fiscal year ends on the Saturday closest to the last day of February each year. Fiscal 2010 ended on February 26, 2011; fiscal 2009 ended on February 27, 2010, and fiscal 2008 ended on February 28, 2009.

The discussion below is herein presented on a consolidated basis and includes information regarding the Company and its wholly-owned subsidiary Filene’s, LLC.

Description of Business

The Company’s 47 stores offer a broad range of “off-price” first quality, in-season merchandise consisting primarily of, women’s dresses, suits, separates and accessories, men’s tailored clothing and haberdashery, children’s apparel, luggage, domestics and fragrances and shoes. The stores emphasize first quality, nationally recognized designer and brand name merchandise at prices substantially below those generally found in department and specialty stores. The stores carry a wide selection of sizes and styles of men’s, women’s and children’s wear. In addition several stores also carry a selection of fine jewelry.

The Company has no foreign operations. No material part of the Company’s revenues is received from a single customer or group of customers. Please refer to Note 1 of the Notes to Consolidated Financial Statements for information on segment reporting.

Merchandise

For fiscal 2010, net sales were generated by the following categories:

Women’s dresses, suits, separates and accessories	46	%
Men’s tailored clothes and haberdashery	38	%
Children’s apparel	5	%
Luggage, domestics and fragrances	6	%
Shoes	5	%
Total	100	%

Most of the items sold by the Company consist of nationally recognized designer and brand-name merchandise. Merchandise is generally displayed by department, class and size on conveniently arranged racks, fixtures, tables or counters. No emphasis is placed on any particular “label” or brand. Most stores offer minor alterations for an additional charge.

Purchasing

The Company purchases first quality, in-season, brand-name merchandise directly from manufacturers on terms it believes are more favorable than those generally obtained by department and specialty stores. We estimate that approximately 900 designer and brand-name manufacturers of merchandise are represented in our stores. The Company generally does not maintain large out-of-season inventories. However, we occasionally buy certain basic clothing which does not change in style from year to year at attractive prices for storage until the following season. Purchasing is performed by a buying staff in conjunction with Merchandise Managers.

Co-branding

The Company converted four former Syms stores (Norwood, MA, Berlin, CT, Elmsford, NY and Westbury, NY) to co-branded stores in fiscal 2010. In fiscal 2009, the Company converted one former Syms store (Fairfield, CT) to a co-branded store. These stores carry the names of both Syms and Filene's Basement and combine the strengths of both brands with an expanded selection of women's merchandise in the former Syms stores. We continue to monitor the customer reaction and store performance; at present, no additional locations have been identified for co-branding for fiscal 2011.

Distribution

The Company operates a 457,000 square foot leased distribution facility situated on 32.8 acres in Auburn, Massachusetts. In addition, the Company owns a facility in Secaucus, New Jersey. This facility contains approximately 277,000 square feet of warehouse and distribution space, 34,000 square feet of office space and 29,000 square feet of store space. The facility is located on an 18.6 acre parcel of land for which the Company holds a ground lease for a remaining term of approximately 265 years. Since the acquisition of Filene's in June 2009, the Company has continued to assess the most effective manner in which to integrate the operations of Filene's and Syms to maximize the synergies of the two businesses. This plan included the consolidation of distribution center functions. The consolidation of distribution center functions involved a shift of most merchandise processing to the Company's Massachusetts distribution center. The New Jersey distribution center will serve to replenish the high volume New York City stores and will continue to house the adjoining retail store and corporate offices. Most of the merchandise is processed and distributed from the Massachusetts distribution facility where it is received from manufacturers, inspected, ticketed and allocated to particular stores.

Marketing

The Company's stores offer everyday low pricing in key fashion categories along with home goods and accessories. Syms stores have as their tagline "An Educated Consumer is Our Best Customer"™, one of the best known and longest lasting in retail. The Company believes that the Syms store customer is very loyal and appreciates and understands great brands at great prices. Filene's Basement's tagline, "Where Bargains Were Born"™, illustrates its long standing position as the original off-price retailer. The Company believes that the Filene's Basement customer has a high fashion IQ and recognizes the value in what is being offered. We have continued to enhance the "Running of the Brides" events, a bridal gown event that is unique to Filene's Basement and garners a great deal of media attention.

The Company advertises principally on radio and occasionally on television. The Company also utilizes print and billboard ads, as well as direct mail and electronic media including e-mail communication to registered customers. In addition, the Company utilizes social media to enable it to communicate immediately with its customer base.

The Company's policy is to affix a price ticket on most items displaying our selling price as well as the price the Company regards as the traditional full retail price of that item at department or specialty stores. All garments are sold with the brand-name as affixed by the manufacturer. We utilize vendor names and “our price, their price” on our in-store signage.

The Company has historically had excellent, longstanding relationships with its suppliers. This has made us a preferred choice for vendors with designer and famous brand overruns, department store cancellations and unmet volume objectives. These vendors understand that goods will be sold in an environment that supports the stature of their brands. Our buyers are encouraged to purchase merchandise of the quality and names that our customers desire.

Trademarks

Various trademarks including: “Syms”®, “An Educated Consumer is Our Best Customer”®, “Names You Must Know”®, “The More You Know About Clothing, the Better it is for Syms”®, “Rediscover Syms. Off price - On style”®, “Running of the Brides” ®, “Where Bargains Were Born” ® and “I just got a bargain” ® have been registered with the United States Patent and Trademark Office.

Competition

The retail apparel business is highly competitive, and the Company accounts for only a small fraction of the total market for men’s, women’s and children’s apparel. The Company’s stores compete with discount stores, specialty apparel stores, department stores, manufacturer-owned factory outlet stores and others. Many of the stores with which the Company competes are units of large national or regional chains that have substantially greater resources than the Company. Retailers having substantially greater resources than the Company have entered or have indicated their intention to enter the “off-price” apparel business, and the “off-price” apparel business itself has become increasingly competitive, especially with respect to the increased use by manufacturers of their own factory outlets and the use of on-line sites by other retailers. At various times of the year, department store chains and specialty shops offer brand-name merchandise at substantial markdowns.

Operations and Control Systems

In 2010, the Company continued the integration of the Syms and Filene’s Basement management information systems onto one consolidated system platform. Product is tracked in approximately 450 different categories from its purchase to its ultimate sale in the Company’s stores. All information regarding the product is transmitted daily to the Company’s centralized databases. The Company’s executives receive detailed reports regarding sales and inventory at both the unit and retail dollar level on a store-by-store basis daily. In addition, reports monitoring critical business processes are made available daily. In 2010, the Company completed deploying its Point of Sale system in all the Company’s stores, providing the flexibility needed to better service its customers and enhance their in-store experience. In 2011, the Company plans to upgrade its Allocation system in order to improve its ability to get the right product into the right store at the right time.

Management of the Company visits stores on a regular basis to evaluate store performance. During these visits, merchandise needs, visual displays, staffing and employee issues, statistical store performance, and loss prevention issues are reviewed. Stores have some combination of on-premises loss prevention or security personnel and various theft deterrent and prevention systems during normal hours and monitored security systems after hours.

Employees

As of February 26, 2011, the Company had approximately 2,500 employees, of which approximately 1,400 work on a part time basis. Each store employs anywhere from approximately 30 to 160 associates, consisting mostly of sales personnel. Syms has collective bargaining agreements with Local 1102 and Local 108, both of the Retail Wholesale Department Store Workers Union (RWDSU). These contracts were renegotiated in 2010 and have expiration dates of October 31, 2013 and November 1, 2013, respectively. Syms also has a collective bargaining agreement with Local 400 of the United Food and Commercial Workers Union. This agreement was also renegotiated in 2010 with an expiration date of April 30, 2012. Combined, these three local unions represent approximately 850 hourly employees at the Syms store locations. In 2010, the majority of Filene’s Basement store employees voted to be represented by RWDSU Local 1102. A new agreement was negotiated which covers approximately 1,100 Filene’s Basement store employees and expires on June 21, 2012. The Company believes that its relationship with its unions and employees is good.

Available Information

The Company makes available on its website at www.syms.com under “Investor Information” - “Press Releases and Financial Reports,” free of charge, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after the Company electronically files such material with, or furnishes such material to, the Securities and Exchange Commission (“SEC”). On the website, the Company also offers a link to all of the Company’s Securities and Exchange Commission filings and to all beneficial ownership reports filed by the Company’s directors and executive officers, via the SEC’s EDGAR filing system.

Item 1A. RISK FACTORS

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks materialize, our business, financial condition, operating results and cash flows could be materially adversely affected.

We have incurred losses in recent fiscal periods and may not be profitable in the short-term

We have experienced losses in recent fiscal periods and cannot guarantee that we will return to profitability in the short-term.

Deterioration in general economic conditions and the impact on consumer confidence and consumer spending could continue to materially and adversely impact our results of operations in future periods.

Consumer spending habits, including spending for our merchandise, are affected by, among other things, prevailing market conditions, levels of employment, salary and wage rates, declines in discretionary income and actual and perceived wealth, gasoline and energy costs, prevailing interest rates, income tax rates and policies, consumer confidence and consumer perception of general economic conditions. As a result of the prolonged deterioration in economic conditions worldwide over the past few years, consumer confidence and consumer spending have been negatively impacted and while economic conditions are showing signs of improvement, it is unclear whether any such improvements will continue or how significant the improvements will be. Consumer purchases of discretionary items, including our merchandise, can be expected to decline during periods when disposable income is adversely affected or there is economic uncertainty. We have been affected by these general economic conditions in the latest fiscal year and expect these conditions to affect our current and future fiscal periods.

We may be unable to compete favorably in our highly competitive markets

The retail business is highly competitive and we account for only a small fraction of the total market for men's, women's and children's apparel. We compete against discount stores, specialty apparel stores, department stores, manufacturer-owned factory outlet stores and others. Our success depends on our ability to remain competitive with respect to style, price, brand availability and customer service. The performance of our competitors, as well as changes in their pricing policies, marketing activities and other business strategies, could have a material adverse effect on our business, financial condition, results of operations and our market share.

If we are unable to meet certain financial covenants in our credit facility, our ability to borrow could be constrained

We had $30.2 million in borrowings as of the end of the current fiscal year under our existing credit agreement. The facility contains various covenants. While we are in compliance with these covenants and monitor such compliance, if in the future we continue to borrow monies under the facility and fail to meet these covenants or obtain appropriate waivers, our lender may terminate the credit facility or accelerate any then-existing debt.

Our sales and operating results depend on consumer preferences and fashion trends

Our sales and operating results depend in part upon our ability to anticipate and respond to product and fashion trends as well as to anticipate, gauge and react to changing consumer demands in a timely manner. There can be no assurance that the merchandise on hand or on order will correspond to changes in taste and demand or that we will be able to successfully secure and market merchandise that is responsive to such trends. Consumer demand requires us to anticipate and respond to numerous and fluctuating variables in fashion trends and other conditions in the markets in which our stores are situated. A variety of factors may affect our ability to maintain the proper mix of products in each store, including without limitation: variations in local, regional or national economic conditions which could affect our customers' discretionary spending, unanticipated fashion trends, our success in distributing merchandise to our stores in an efficient manner and changes in weather patterns, which in turn may affect consumer demand and preferences. If we misjudge the market for our products, or if we are unable to anticipate and fulfill the merchandise needs of each region, we may experience decreases in our sales, we may realize significant excess inventories for some products and we may be forced to increase markdowns in relation to slow-moving merchandise, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to renew or enter into new leases on favorable terms, our revenue growth may decline

We operate 31 of our locations in leased premises. The leases for eight of these 31 locations expire during 2011 through 2013 and several are subject to extension or renewal, in the Company's discretion. If the cost of leasing existing stores increases, we cannot assure you that we will be able to maintain our existing store locations as leases expire. In addition, we may not be able to enter into new leases on favorable terms or at all, or we may not be able to locate suitable alternative sites or additional new sites for new stores in a timely manner. Our revenues and earnings may decline if we fail to maintain existing store locations, enter into more costly new leases, locate alternative sites on more expensive terms or fail to find suitable additional sites for new stores.

Our relationships with vendors can change

We currently purchase first-quality, in-season designer and brand name merchandise from more than 900 vendors at prices we believe to be below those generally available to major department and specialty stores. Although we have maintained long-term business relationships with many of these vendors, there can be no assurance that we will be able to continue to purchase first-quality, in-season merchandise from these vendors in the same breadth of styles and sizes, in the same or greater volumes and at prices as favorable as those currently available to us. If we fail to maintain our relations with our existing vendors, or to enhance the quality of merchandise they supply us or if we cannot maintain existing sources of supply or attract new vendors of in-season brand name and designer merchandise, our ability to obtain a sufficient amount and variety of merchandise at favorable prices may be limited, which could have a significant negative impact on our competitive position and our results of operations could be materially and adversely affected. Furthermore, if we are unable to maintain or continue to obtain trade credit from factors, vendors and service providers on favorable terms, we may not be able to develop or enhance our merchandise or respond to competitive pressures, any of which could have a material adverse effect on our business. Further, the tightening of trade credit could limit our available liquidity.

Our ability to manage inventory can affect our business

The fashion-oriented nature of our products and the rapid changes in customer preferences leave us vulnerable to an increased risk of inventory obsolescence. Our ability to manage inventories properly is an important factor in our operations. Inherent in our management and valuation of inventories are certain significant judgments and estimates, including, among others, initial merchandise markup and subsequent markups and markdowns which significantly impact the ending inventory valuation at retail as well as the resulting cost complement. While management believes that these methods provide an inventory valuation which reasonably approximates cost, if market conditions are less favorable than those projected, additional markdowns may be required. If we are unable to effectively manage inventory, our business, financial condition and results of operations could be materially adversely affected.

Our results may be adversely affected by increases in the price of raw materials, oil and other commodities

Increases in the price of raw materials, oil and other commodities may reduce our overall profitability. Specifically, the cost of fabrics and other materials that are used in the manufacture of merchandise we purchase from our suppliers has recently risen significantly. Such increases are expected to increase the cost of merchandise, which could adversely offset our performance through potentially reduced consumer demand or reduced margins. Additionally, the price of oil has fluctuated dramatically in the past and recently risen significantly. An increase in the price of oil increases our transportation costs for distribution, utility costs for our retail stores and costs to purchase our products from suppliers.

Acquisitions involve special risk, including the risk that we may not be able to fully realize the benefits of any such acquisition

In 2009, we acquired certain assets of Filene's Basement, Inc. Realization of the expected return on the Filene's acquisition, such as the anticipated revenue increases, cost savings and increases in geographic and product presence and customer reach resulting from the acquisition, has been limited thus far due to difficulties integrating the Filene's assets and operations into our existing infrastructure and operations. In particular, we have experienced difficulties associated with data and platform integration in connection with our acquisition of Filene's, which have, to date, limited the projected benefits of the acquisition.

Our failure to retain our existing senior management and to continue to attract qualified new personnel could adversely affect our business

Our success will depend on our ability to retain our key personnel and attract and retain talented, highly qualified executives. If we were to lose the benefit of the experience, efforts and abilities of any of our key executive and buying personnel, our business could be adversely affected. Furthermore, our success is also dependent on our ability to hire and train qualified retail management and associates. We are also subject to risks associated with any significant disruptions in our relationship with our employees and any work stoppages by our employees, including union employees.

We recorded a $4.3 million impairment charge during fiscal 2010 and may be required to recognize additional impairment charges in the future

Pursuant to accounting principles generally accepted in the United States, we are required to periodically assess our long-lived assets to determine if they are impaired. Business disruptions, protracted economic weakness, declines in operating results and other factors may result in asset impairments. For the fiscal year ended February 26, 2011, the carrying amount of certain long-lived assets exceeded their implied fair values and as a result the Company recognized an impairment charge of $4,255,000. In fiscal 2009, we recorded an impairment charge of $80,000. In light of current economic conditions, additional impairments could occur in future periods whether or not connected to the current impairment analysis. Future impairment charges could materially and adversely affect our reported earnings in the periods of such charges and could materially and adversely affect our financial condition and results of operations.

We are subject to potential uninsured losses and/or claims

We are subject to the possibility of uninsured losses from risks such as terrorism, earthquake or floods, for which no, or limited, insurance coverage is maintained. We are also subject to risk of losses which may arise from adverse litigation results or other claims.

Changes in governmental regulation could adversely affect our operations

Laws and regulations at both state and federal levels frequently change and the ultimate cost of compliance cannot be precisely estimated. In addition, we cannot predict the impact that may result from the changes in governmental regulation under different political administrations. Changes in regulations, the imposition of additional regulations, or the enactment of new legislation that impacts employment, labor, trade, transportation or logistics, health care, tax or environmental issues could have a material adverse impact on our financial condition or results of operations.

A privacy breach could adversely affect or business

The protection of customer, employee and company data is critical. The regulatory environment surrounding information security and privacy is demanding, with the frequent imposition of new and changing requirements. In addition, customers have a high expectation that we will adequately protect their personal information. A significant breach of customer, employee or company data could damage our reputation, result in lost sales, fines or lawsuits or have a material adverse impact on our financial condition or results of operations.

Damage or interruptions to our information and computer systems or the inability to implement new technologies effectively could disrupt our business or reduce our sales or profitability

We rely extensively on various information systems, data centers and software applications to manage many aspects of our business, including to process and record transactions in our stores, to enable effective communications systems, to plan and track inventory flow and to generate performance and financial reports. We are dependent on the integrity, security and consistent operations of these systems and related back-up systems. Our computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism and usage errors by our associates or contractors. The efficient operation and successful growth of our business depends upon these information systems, including our ability to operate them effectively and to select and implement appropriate new technologies systems, controls, data centers and adequate disaster recovery system successfully. For example, in 2011 we plan to upgrade our Allocation system in order to improve our ability to get the right product into the right store at the right time.

Other factors could affect our results of operations and our ability to grow

Other factors that could cause actual results to differ materially from those predicted and that may adversely affect our ability to grow include: possible disruptions in our computer or telephone systems, increases in labor costs, higher than anticipated store closings or relocation costs, increases in energy costs, higher interest rates, potential disruptions in the supply of or restrictions on imported merchandise and unanticipated increases in merchandise or occupancy costs.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

At February 26, 2011, the Company had 49 operating locations. These locations include both owned and leased properties and include retail stores and ancillary operations (consisting of receiving, inspection and administrative functions), warehouse and offices, plus additional space incidental to core operations which is, whenever practicable, leased to third parties. The following table is a listing of operating locations and square footage usage:

Location	Lease or Own	Total Sq Feet	Retail & Ancillary	Warehouse & Office	Additional Space	
Fairfield, CT	Own (1)	43,000	43,000	-	-	
Berlin, CT	Lease	38,000	38,000	-	-	
Ft. Lauderdale, FL	Own	55,000	55,000	-	-	
Kendall, FL	Lease	40,000	40,000	-	-	
Miami, FL	Own	53,000	53,000	-	-	
Tampa, FL	Own	77,000	48,000	-	29,000	(a)(d)
West Palm Beach, FL	Own	112,000	54,000	-	58,000	(b)
Norcross, GA	Own	69,000	69,000	-	-	
Marietta, GA	Own	77,000	48,000	-	29,000	(b)
Addison, IL	Own	68,000	68,000	-	-	
Rockville, MD	Lease	71,000	71,000	-	-	
Norwood, MA	Lease	43,000	43,000	-	-	
Southfield, MI	Own	60,000	50,000	-	10,000	(c)
Cherry Hill, NJ	Own	150,000	66,000	39,000	45,000	(c)
Paramus, NJ	Own	77,000	73,000	-	4,000	(d)
Secaucus, NJ	Own (2)	340,000	29,000	311,000 (e)	-	
Fords, NJ	Lease	36,000	36,000	-	-	
Williamsville, NY	Own	102,000	46,000	-	56,000	(a)
Elmsford, NY	Own (3)	143,000	59,000	-	84,000	(d)
New York, NY	Lease	64,000	64,000	-	-	
New York, NY	Own	57,000	57,000	-	-	
Westbury, NY	Own	92,000	92,000	-	-	
Berwyn, PA	Own	69,000	55,000	-	14,000	(a)
Houston, TX	Own	42,000	42,000	-	-	
Falls Church, VA	Lease	49,000	49,000	-	-	
Aventura, FL	Lease	42,000	42,000	-	-	
Chicago, IL	Lease	61,000	61,000	-	-	

Chicago, IL	Lease	63,000	63,000	-	-
Boston, MA	Lease	38,000	38,000	-	-
Newton, MA	Lease(4)	48,000	48,000	-	-
Watertown, MA	Lease	33,000	33,000	-	-
Peabody, MA	Lease	44,000	44,000	-	-
Braintree, MA	Lease	38,000	38,000	-	-
Saugus, MA	Lease	31,000	31,000	-	-
Rockville, MD	Lease	38,000	38,000	-	-
Baltimore, MD	Lease	31,000	31,000	-	-
Manhasset, NY	Lease	60,000	60,000	-	-
Flushing, NY	Lease	29,000	29,000	-	-
New York, NY	Lease	23,000	23,000	-	-
New York, NY	Lease	93,000	93,000	-	-
New York, NY	Lease	32,000	32,000	-	-
Columbus, OH	Lease	71,000	71,000	-	-
Warrensville, OH	Lease	38,000	38,000	-	-
Washington, DC	Lease	38,000	38,000	-	-
Washington, DC	Lease	45,000	45,000	-	-
Washington, DC	Lease	43,000	43,000	-	-
Atlanta, GA	Lease	49,000	49,000	-	-
Auburn, MA	Lease	457,000	-	457,000	-
Landover, MD	Lease	22,000	-	22,000	-
		3,494,000	2,336,000	829,000	329,000

(1) Ground lease dated June 2, 2003 expiring November 3, 2036.
(2) Ground lease dated June 1, 1977 expiring May 31, 2276.
(3) Ground lease dated January 1, 1969 and 1970 expiring May 31, 2068 and December 31, 2068.
(4) This store location consists of two leases.

(a) Additional space within building currently leased to third parties.
(b) Additional space consists of a retail strip mall with various tenants in various stages of lease life, including vacant space which is actively marketed by property managers.
(c) Additional space currently vacant and available for rent.
(d) Additional space consists of third party building on Company land pursuant to ground lease.
(e) Of the 311,000 square feet, approximately 34,000 square feet are office space and 277,000 square feet are warehouse and distribution space. With the consolidation of distribution center functions into the Company's Massachusetts distribution center, much of the New Jersey distribution center is vacant.

Stores are typically "free-standing" or located in shopping centers and have available adequate free parking. Certain stores in New York, Boston, Chicago, Atlanta and Washington, D.C. are located in key urban areas and are convenient to mass transit. Suburban locations are usually near major highways or thoroughfares in localities of at least 1,000,000 people. In some higher population areas we may have more than one store in the same vicinity.

Lease Terms

Thirty-one of the Company's locations are leased from unrelated third parties on varying remaining terms with varying option periods. Certain option periods may be based on formulas contained in existing leases or may be based on negotiations between the parties. The following table summarizes the number of leases expiring in each calendar period; the number of such leases with renewal options; and the number of years of each option period.

Calendar Period	Expiring Year	Leases with Renewal Options	Range in Years Of Option Periods
2011	4	0	-
2012	2	2	1-5 years
2013	2	2	5 years
2014	0	0	-
2015	2	0	-
2016 & thereafter	21	13	5 – 10 years

Store leases provide for a base rental of between $5.06 and $104.59 per square foot. In addition, under the "net" terms of all leases, the Company pays maintenance expenses, real estate taxes and other charges. The leases for most of our stores also provide for contingent rent based upon a percentage of sales in excess of certain thresholds. Minimum rental payments for leased locations aggregated approximately $35,684,000 and $27,060,000 for fiscal 2010 and 2009, respectively.

Whenever practicable, space not necessary for Company operations is offered for rent by the Company. Of the nine operating locations with available rental space, five are fully rented, two (which are multi-tenant strip malls) are partially rented and two are currently vacant. Rental income for tenanted locations, net of administrative and operating expenses of $439,000 and $419,000 in fiscal 2010 and 2009, respectively, was $2,252,000 and $2,373,000 for fiscal 2010 and 2009 respectively. Tenant leases expire at various dates during 2011 through 2047 with various option terms and periods extending to 2097.

Store Openings/Closings

In fiscal 2010, the Company closed four stores in Niles, IL, Paramus, NJ, New York, NY and Plano, TX. One new store opened during fiscal 2010 in New York, NY. The Company entered into two new leases during fiscal 2010. One lease is for a new store in New York, NY, expected to open during fiscal 2011. The other lease is for a new store in Brooklyn, NY, expected to open during fiscal 2012.

Item 3. LEGAL PROCEEDINGS

The Company is a party to routine litigation incident to its business. Some of the actions to which the Company is a party are covered by insurance and are being defended or reimbursed by the Company's insurance carriers.

Item 4. RESERVED

There is no disclosure required under this Item.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's Common Stock (the "Common Stock") is listed on NASDAQ under the symbol "SYMS". The following table sets forth the high and low sales prices for the Common Stock as reported by NASDAQ for each quarter of the past two fiscal years.

	Year ended February 26, 2011		Year ended February 27, 2010	
	High	Low	High	Low
First Quarter	$ 10.68	$ 6.80	$ 8.61	$ 4.22
Second Quarter	7.84	7.00	8.57	5.90
Third Quarter	8.49	6.91	8.29	6.57
Fourth Quarter	7.31	6.11	10.00	7.00

Holders

As of April 18, 2011, there were approximately 310 record holders of the Common Stock.

Dividends

No dividends were paid in fiscal 2010 or fiscal 2009. Payment of dividends is within the discretion of the Company's Board of Directors and depends upon various factors including the earnings, capital requirements and financial condition of the Company (see Note 4 to Notes to Consolidated Financial Statements regarding covenants in the Company's bank credit facility).

Issuer Purchases of Equity Securities

On March 9, 2010, the Company purchased 150,196 shares of the Company's Common Stock from the Sy Syms Revocable Living Trust at a price of $8.04 per share. The purchase was approved by a committee of the Board consisting solely of the independent members of the Board. The price approved by the committee, after consultation with a financial consultant and counsel, represented a 5% discount to a thirty day volume weighted average price.

Performance Graph

Below is a graph comparing the cumulative total shareholders' return on the Common Stock for the last five fiscal years (beginning February 25, 2006 and ending February 25, 2011, the last trading day for Fiscal 2010) with the cumulative total return of the Wilshire 5000 Index and the S&P Retail Composite Index over the same period (assuming (i) the investment of $100 on February 27, 2006 in the Common Stock and in each of these two Indexes, (ii) reinvestment of all dividends and (iii) no payment of brokerage or other commissions or fees).

Item 6. SELECTED FINANCIAL DATA

The selected financial data presented below has been derived from the Company's audited financial statements for the fiscal years ended February 26, 2011, February 27, 2010, February 28, 2009, March 1, 2008 and March 3, 2007. The selected financial data presented below should be read in conjunction with such financial statements and notes thereto.

	Fiscal Year Ended				
	February 26, 2011	February 27, 2010 (1)	February 28, 2009	March 1, 2008	March 3, 2007
	(in thousands, except per share amounts)				
Statement of Operations data:					
Net sales	$ 445,133	$ 377,309	$ 242,000	$ 267,149	$ 281,178
Net income (loss) from operations (2)	(50,380)	(4,842)	(3,993)	2,225	14,064
Net income (loss)	(32,857)	8,308	(3,423)	807	9,548
Net income (loss) per share – basic	$ (2.27)	0.57	(0.23)	0.06	0.66
Dividends paid	-	-	-	8,820	-
Net income (loss) per share – diluted	$ (2.27)	0.57	(0.23)	0.05	0.65
Balance Sheet data:					
Working capital	$ 31,563	$ 52,798	$ 43,215	$ 57,090	$ 67,431
Total assets	270,774	269,079	215,123	229,629	239,559
Long-term liabilities	41,421	11,418	840	1,178	1,548
Shareholders' equity	160,979	195,032	186,043	192,135	202,069

(1) Reflects the acquisition by the Company on June 18, 2009 of certain real property leases, inventory, equipment and other assets of Filene's pursuant to an auction conducted in accordance with § 363 of the Federal Bankruptcy Code. The acquisition has been accounted for as a purchase. See Note 6 of the Notes to Consolidated Financial Statements.

(2) Fiscal 2009 includes a gain of $24.8 million from the receipt of insurance proceeds from officers' life insurance policies on the life of the Company's founder who died on November 17, 2009 and a bargain purchase gain of $9.7 million attributable to the acquisition of Filene's.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Special Note Regarding Forward-Looking Statements

This Annual Report (including but not limited to factors discussed below, in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as those discussed elsewhere in this Annual Report on Form 10-K) may include certain forward-looking statements (within the meaning of Sections 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934) and information relating to the Company that are based on the beliefs of the management of the Company as well as assumptions made by and information currently available to the management of the Company. When used in this Annual Report, the words "anticipate," "believe," "estimate," "expect," "intend," "plan," and similar expressions, as they relate to the Company or the management of the Company, identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks, including among others; general economic and market conditions, decreased consumer demand for the Company’s products, possible disruptions in the Company’s computer or telephone systems, possible work stoppages, or increases in labor costs, effects of competition, possible disruptions or delays in the opening of new stores or inability to obtain suitable sites for new stores, higher than anticipated store closings or relocation costs, higher interest rates, unanticipated increases in merchandise or occupancy costs and other factors which may be outside the Company’s control, including the risk factors disclosed in Item 1A of this Annual Report on Form 10-K. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as anticipated, believed, estimated, expected, intended or planned. Subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements in this paragraph and described elsewhere in this Annual Report and other reports filed with the Securities and Exchange Commission.

The Company does not assume the obligation to update any forward-looking statement. Shareholders should carefully evaluate such statements in light of factors, including risk factors, described in the Company's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. In Item 1A., "Risk Factors" of this Annual Report on Form 10-K, the Company discusses in more detail various important risk factors that could cause actual results to differ from expected or historic results. The Company notes these factors for readers as permitted by the Private Securities Litigation Reform Act of 1995. Shareholders should understand that it is not possible to predict or identify all such factors. Consequently, shareholders should not consider any such list to be a complete statement of all potential risks or uncertainties.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the appropriate application of certain accounting policies, many of which require us to make estimates and assumptions about future events and their impact on amounts reported in the financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results will inevitably differ from the Company's estimates. Such differences could be material to the financial statements.

The Company believes that its application of accounting policies, and the estimates inherently required by the policies, are reasonable. These accounting policies and estimates are constantly reevaluated, and adjustments are made when facts and circumstances dictate a change. Historically, the Company has found the application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

The Company's accounting policies are more fully described in Note 1 of the Notes to Consolidated Financial Statements presented elsewhere in this Annual Report. The Company has identified certain critical accounting policies that are described below.

Merchandise Inventory