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FOR IMMEDIATE RELEASE

Crazy Eddie's '85 Year-End Net Income
Climbs 116% on 24% Sales Increase

BROOKLYN, NY, May 2, 1985--Crazy Eddie, Inc. (NASDAQ:CRZY) today reported an increase in net income of 76.7% to \$3,307,746 (49 cents per share) on a net sales increase of 35.3% on net sales of \$65,291,130 for the fourth quarter of its revised fiscal year ended March 3, 1985. This compares with net income of \$1,871,368 (37 cents per share) on net sales of \$48,248,095 recorded during the quarter ended February 29, 1984. The Company's 1984 fiscal year ended May 31, 1984. Comparable store sales for the March quarter climbed 22% versus the corresponding period a year ago.

Net income for the 1985 fiscal year increased 115.6% to \$6,366,901 (\$1.10 per share) on net sales of \$167,147,488, an increase of 24.4%. This compares to net income of \$2,952,280 (59 cents per share) on net sales of \$134,347,195 for the 12 months ended February 29, 1984. Crazy Eddie comparable store sales for the year ended March 3, 1985 increased 11% over the prior year.

The weighted average number of common shares outstanding during the fourth quarter was 6,700,000 versus 5,000,000 during the quarter ended

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February 29, 1984. The weighted average number of shares outstanding for the 1985 fiscal year was 5,796,438 versus 5,000,000 during the 1984 fiscal year, reflecting the additional 1,700,000 of common stock issued in a public offering in September, 1984.

Commenting on the results, Eddie Antar, chairman and chief executive officer, said that the year-end figures include the opening of two new stores during the 1985 fiscal year in Smithtown (L.I.), NY and Woodbridge, NJ and two relocated, expanded stores opened during the year on 86th St. in Manhattan and in Syosset (L.I.), NY. There were no new stores opened during the fourth quarter. The total number of stores in operation at year-end amounted to 15 compared to 13 stores in operation on February 29, 1984, Antar reported.

Gross profit margins for the fourth quarter were 25.3% versus 22.1% during the prior year's quarter while the Company's selling general and administrative costs as a percent of sales amounted to 14.3% compared to 13.3% recorded a year ago. The percentage increase in operating and administrative costs during the fourth quarter largely reflected the Company's policy of expensing the costs of opening new stores as incurred. Pre-tax margins during the final quarter rose to 11.2% from 8.8% a year ago, while net income as a percent of sales rose to 5.1% compared to 3.9% during the quarter ended February 29, 1984, Antar continued.

For fiscal 1985, gross profit margins climbed to 23.6% from 21.6% a year ago; selling, general and administrative costs as a percent of sales amounted to 15.8% versus 16.4% a year ago; pre-tax margins

increased to 8.0% from 4.9% during fiscal 1984, and net income as a percent of sales rose to 3.8% compared to 2.2% a year ago, Antar reported.

Crazy Eddie's sales per square foot rose 13% to \$2,368 during fiscal 1985 from \$2,104 a year ago; gross profit per square foot increased to \$569 compared to \$474 a year ago, and average sales per store rose 14% to \$12,081,470 versus \$10,560,080 during the twelve months ended February 29, 1984. We believe that both the sales and gross profit per square foot are among the highest in the specialty retail field, Antar stated.

Prospects for the first quarter of fiscal 1986 ending June 2, 1985 are highly encouraging, the Crazy Eddie chief executive said. The Company was very pleased by the recent successful opening of the first Crazy Eddie store in Queens, NY and in Nanuet (Rockland County), NY, and a third new store in Massapequa (L.I.), NY is slated to open during mid-May.

Crazy Eddie, the New York metropolitan area's largest home entertainment and consumer electronics retailer, plans to open four additional stores by fall in Orange, CT; Livingston and Edison, NJ, and in Manhattan at 150 Broadway. In addition, the Company is constructing a new 210,000 square foot facility which will include a new corporate headquarters and central warehouse in Edison, NJ to be occupied later this year.

Crazy Eddie, Inc.'s stock is traded on the NASDAQ National Market System under the symbol CRZY.

CRAZY EDDIE, INC.

Fourth Quarter Ended March 3, 1985

	<u>-1985</u>	<u>1984</u>	<u>Percent Increase</u>
	(3/3/85)	(2/29/84)	(Decrease)
Sales (Retail)	\$65,291,130	\$47,161,328	38.3%
Affiliated Sales	--	1,086,767	--
NET SALES	65,291,130	48,248,095	35.3
Cost of Sales	48,729,136	37,607,230	29.6
Gross Profit	16,561,994	10,640,865	55.6
Selling, General			
& Admin. Expense	9,356,541	6,424,598	45.6
OPERATING INCOME	7,205,453	4,216,267	70.8
Interest & Other			
Income	618,250	176,807	249.7
Interest Expense	312,957	147,706	111.8
Profit-Sharing			
Contribution	200,000	--	--
Income Before Taxes	7,310,746	4,245,368	72.2
Income Taxes	4,003,000	2,374,000	68.6
NET INCOME	3,307,746	1,871,368	76.7
EARNINGS PER SHARE* (1)	\$0.49	\$0.37	

* Weighted average number of common shares outstanding during the quarter was 6,700,000 versus 5,000,000 during the February 29, 1984 quarter.

(1) Earnings per share were computed on a primary basis. Options and warrants outstanding during the period were not dilutive.

CRAZY EDDIE, INC.

12 Months Ended March 3, 1985

	<u>-1985</u>	<u>1984</u>	<u>Percent Increase</u>
	(3/3/85)	(2/29/84)	(Decrease)
Sales (Retail)	\$165,232,306	\$129,672,256	27.4%
Affiliated Sales	1,915,182	4,674,939	(59.0)
NET SALES	167,147,488	134,347,195	24.4
Cost of Sales	127,619,233	105,313,006	21.2
Gross Profit	39,528,255	29,034,189	36.1
Selling, General			
& Admin. Expense	26,431,583	22,056,015	19.8
OPERATING INCOME	13,096,672	6,978,174	87.7
Interest & Other			
Income	1,418,511	691,548	105.1
Interest Expense	572,282	460,668	24.2
Profit-Sharing			
Contribution	600,000	626,774	(4.3)
Income Before Taxes	13,342,901	6,582,280	102.7
Income Taxes	6,976,000	3,630,000	92.2
Net Income	6,366,901	2,952,280	115.6
Earnings Per Share* (1)	\$1.10	\$0.59	

* Weighted average number of common shares outstanding during the quarter was 5,796,438 versus 5,000,000 during the 12 months ended February 29, 1984.

(1) Earnings per share were computed on a primary basis. Options and warrants outstanding during the period were not dilutive.