



CONTACT: Sam E. Antar
Crazy Eddie, Inc.
(201) 248-1410

David Kronfeld
Kekst and Company
(212) 593-2655

FOR IMMEDIATE RELEASE

CRAZY EDDIE INC. ANNOUNCES RESULTS FOR FISCAL YEAR 1987

EDISON, NEW JERSEY, April 28, 1987 -- Crazy Eddie, Inc. (NASDAQ-CRZY) today reported that the Company had net earnings of \$10,600,000, or \$0.34 per share, on sales of \$352.5 million for the fiscal year which ended on March 1, 1987, compared with earnings of \$13,200,000, or \$0.48 per share on sales of \$262.3 million for fiscal 1986.

For the fourth quarter of fiscal 1987, the thirteen weeks ended March 1, 1987, Crazy Eddie reported earnings of \$750,000, or \$0.02 per share, on sales of \$122.1 million, compared with earnings of \$7,100,000, or \$0.26 per share, on sales of \$99.8 million for the fourth quarter of fiscal 1986.

Crazy Eddie, Inc. is a leading retailer of home entertainment and consumer electronics products in the tri-state metropolitan area, with 36 stores, including eighteen in New York, thirteen in New Jersey, four in Connecticut and one in Pennsylvania.

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- Table Follows -

CRAZY EDDIE, INC.

FISCAL YEAR ENDED

| | March 1, 1987 | March 2, 1986 | Percent Increase |
|--------------------------------------|---------------|---------------|---------------------|
| | ----- | ----- | |
| NET SALES | \$352,500,000 | \$262,300,000 | 34.4% |
| Cost of Sales | 272,300,000 | 194,400,000 | 40.1% |
| Gross Profit | 80,200,000 | 67,900,000 | 18.1% |
| Gross Margin % | 22.8% | 25.9% | |
| Selling, General & Admin. Expense | 61,300,000 | 43,000,000 | 42.6% |
| S. G. & A. % | 17.4% | 16.4% | |
| OPERATING INCOME | 18,900,000 | 24,900,000 | (24.1%) |
| Operating Margin % | 5.4% | 9.5% | |
| Interest & Other Income | 7,400,000 | 3,200,000 | 131.3% |
| Interest Expense | (5,200,000) | (800,000) | 550.0% |
| Income Before Pension and Taxes | 21,100,000 | 27,300,000 | (22.7%) |
| Pension Contribution | 500,000 | 800,000 | (37.5%) |
| Income Before Taxes | 20,600,000 | 26,500,000 | (22.3%) |
| Income Taxes | 10,000,000 | 13,300,000 | (24.8%) |
| Effective Tax Rate | 48.5% | 50.0% | |
| NET INCOME | 10,600,000 | 13,200,000 | (19.7%) |
| Net Margin % | 3.0% | 5.0% | |
| EARNINGS PER SHARE* (1) | \$0.34 | \$0.48 | (28.7%) |

* Weighted average number of common shares outstanding during the fiscal year ended was 31,200,000 versus 27,700,000 during fiscal year ended March 2, 1986.

(1) Earnings per share were computed on a primary basis. Options and warrants outstanding during the period were not dilutive. For the period ended March 1, 1987 convertible subordinated debentures, although common stock equivalents, were anti-dilutive so not included in the calculation of primary earnings per share.

CRAZY EDDIE, INC.

FOURTH QUARTER ENDED

| | March 1, 1987 | March 2, 1986 | Percent |
|-------------------------|---------------|---------------|-----------------|
| | ----- | ----- | <u>Increase</u> |
| NET SALES | \$122,100,000 | \$ 99,800,000 | 22.3% |
| Cost of Sales | 97,100,000 | 70,200,000 | 38.3% |
| Gross Profit | 25,000,000 | 29,600,000 | (15.5%) |
| Gross Margin % | 20.5% | 29.6% | |
| Selling, General | | | |
| & Admin. Expense | 23,400,000 | 16,200,000 | 44.4% |
| S. G. & A. % | 19.2% | 16.2% | |
| OPERATING INCOME | 1,600,000 | 13,400,000 | (88.1%) |
| Operating Margin % | 1.3% | 13.4% | |
| Interest & Other | | | |
| Income | 2,200,000 | 1,000,000 | 120.0% |
| Interest Expense | (1,900,000) | (200,000) | 850.0% |
| Income Before Pension | | | |
| and Taxes | 1,900,000 | 14,200,000 | (86.6%) |
| Pension Contribution | 200,000 | 500,000 | (60.0%) |
| Income Before Taxes | 1,700,000 | 13,700,000 | (87.6%) |
| Income Taxes | 950,000 | 6,600,000 | (85.6%) |
| Effective Tax Rate | 55.9% | 47.9% | |
| NET INCOME | 750,000 | 7,100,000 | |
| Net Margin % | .6% | 7.1% | |
| EARNINGS PER SHARE* (1) | \$0.02 | \$0.26 | (90.6%) |

* Weighted average number of common shares outstanding during the quarter ended was 31,300,000 versus 27,800,000 during quarter ended March 2, 1986.

(1) Earnings per share were computed on a primary basis. Options and warrants outstanding during the period were not dilutive. For the period ended March 1, 1987 convertible subordinated debentures, although common stock equivalents, were anti-dilutive so not included in the calculation of primary earnings per share.