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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 3, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number 0-20052

STEIN MART, INC.

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	64-0466198 (I.R.S. Employer Identification Number)
1200 Riverplace Blvd., Jacksonville, Florida (Address of principal executive offices)	32207 (Zip Code)

Registrant's telephone number, including area code: (904) 346-1500

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 [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [X] No [ ]

At May 31, 2003, the latest practicable date, there were 41,640,704 shares outstanding of Common Stock, $.01 par value.

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Stein Mart, Inc.
Balance Sheets
(In thousands)

	May 3, 2003	February 1, 2003	May 4, 2002
ASSETS	**(Unaudited)**		**(Unaudited)**
Current assets:			
Cash and cash equivalents	$ 17,052	$ 9,859	$ 18,653
Trade and other receivables	3,700	4,919	3,390
Inventories	329,838	297,230	345,532
Prepaid expenses and other current assets	5,783	4,361	5,940
Total current assets	356,373	316,369	373,515
Property and equipment, net	86,133	86,351	91,321
Other assets	7,755	7,497	5,761
Total assets	$450,261	$410,217	$470,597
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 96,802	$ 70,472	$126,964
Accrued liabilities	52,945	53,407	48,864
Income taxes payable	907	5,353	1,741
Notes payable to banks	56,300	41,350	-
Total current liabilities	206,954	170,582	177,569
Notes payable to banks	-	-	63,700
Other liabilities	18,699	16,328	15,074
Total liabilities	225,653	186,910	256,343
COMMITMENTS AND CONTINGENCIES			
Stockholders' equity:			
Preferred stock - $.01 par value; 1,000,000 shares authorized; no shares outstanding			
Common stock - $.01 par value; 100,000,000 shares authorized; 41,568,678; 41,618,678 and 41,646,151 shares issued and outstanding, respectively	416	416	416
Paid-in capital	509	721	-
Retained earnings	223,683	222,170	213,838
Total stockholders' equity	224,608	223,307	214,254
Total liabilities and stockholders' equity	$450,261	$410,217	$470,597

The accompanying notes are an integral part of these financial statements.

Stein Mart, Inc.
Statements of Income

(Unaudited)
(In thousands except per share amounts)

	For The 13 Weeks Ended	
	May 3, 2003	**May 4, 2002**
Net sales	$330,557	$355,979
Cost of merchandise sold	246,861	259,448
Gross profit	83,696	96,531
Selling, general and administrative expenses	84,503	81,281
Other income, net	3,653	3,700
Income from operations	2,846	18,950
Interest expense	405	614
Income before income taxes	2,441	18,336
Income tax provision	928	6,968
Net income	$ 1,513	$ 11,368
Earnings per share – Basic	$0.04	$0.27
Earnings per share – Diluted	$0.04	$0.27
Weighted-average shares outstanding – Basic	41,587	41,554
Weighted-average shares outstanding –Diluted	41,587	41,930

The accompanying notes are an integral part of these financial statements.

Stein Mart, Inc.
Statements of Cash Flows

(Unaudited)
(In thousands)

	For The 13 Weeks Ended	
	May 3, 2003	May 4, 2002
Cash flows from operating activities:		
Net income	$ 1,513	$11,368
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,824	4,536
Impairment of property and other assets	765	-
Deferred income taxes	(46)	7,100
Tax benefit from exercise of stock options	-	377
Changes in assets and liabilities:		
Trade and other receivables	1,219	1,811
Inventories	(32,608)	(49,374)
Prepaid expenses and other current assets	(891)	(863)
Other assets	(354)	351
Accounts payable	26,330	33,289
Accrued liabilities	(462)	2,863
Income taxes payable	(4,446)	(2,330)
Other liabilities	1,886	(59)
Net cash (used in) provided by operating activities	(2,270)	9,069
Cash flows used in investing activities:		
Capital expenditures	(5,275)	(7,256)
Cash flows from financing activities:		
Net borrowings under notes payable to banks	14,950	5,950
Proceeds from exercise of stock options	-	726
Purchase of common stock	(212)	(112)
Net cash provided by financing activities	14,738	6,564
Net increase in cash and cash equivalents	7,193	8,377
Cash and cash equivalents at beginning of year	9,859	10,276
Cash and cash equivalents at end of period	$17,052	$18,653
Supplemental disclosures of cash flow information:		
Interest paid	$ 407	$ 629
Income taxes paid	5,412	1,783

The accompanying notes are an integral part of these financial statements.

STEIN MART, INC.
NOTES TO FINANCIAL STATEMENTS
May 3, 2003
(Unaudited)

1. Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the 13-week periods are not necessarily indicative of the results that may be expected for the entire year. For further information, refer to the financial statements and footnotes thereto included in the Stein Mart, Inc. annual report on Form 10-K for the year ended February 1, 2003.

2. Store Closings

The Company regularly reviews under-performing stores and implements strategies designed to improve their performance. In Spring 2003, following more than two years of retail economic weakness, it was determined that a group of these under-performing stores would be unlikely to achieve profitability despite the Company's concerted efforts to stimulate sales. In order to improve the quality of the Company's portfolio of stores, management decided in April to close 13 stores in addition to the three already planned for closure in 2003. Three of these stores have been closed, incurring minimal lease exit costs. Nine began their going out of business process in May and the remaining four will close by the end of the year. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," the estimated charges that will be recorded at the store closing dates during the last three quarters of 2003 are approximately $19 million to recognize the present value of store closing costs. In addition, approximately $10 million in markdowns will be required to liquidate inventory in those stores.

During the fourth quarter of 2002, the Company recorded a pre-tax non-cash asset impairment charge of $2.7 million to reduce the carrying value of property and equipment of certain closing and/or under-performing stores to their respective estimated fair value. During the first quarter of 2003, the Company recorded an additional asset impairment charge of $0.8 million to further reduce the carrying value of property and equipment of four of the stores closing in 2003. The charge is included in Selling, general and administrative expenses in the Statement of Income for the 13 weeks ended May 3, 2003.

The store closing reserve at May 3, 2003 includes the remaining lease obligation for one store closed in December 1999 ($3.0 million) and the estimated cost of lease terminations for four stores closed during 2002 ($1.6 million). Payments include ongoing lease costs for previously closed stores. Activity in the store closing reserve is as follows (000's):

	13 Weeks Ended	
	May 3, 2003	May 4, 2002
Balance at beginning of period	$4,982	$5,680
Payments	(418)	(110)
Balance at end of period	$4,564	$5,570

The store closing reserve at May 3, 2003 and May 4, 2002 has a current portion (included in Accrued liabilities) of $1.2 million and $0.9 million, respectively, and a long-term portion (included in Other liabilities) of $3.4 million and $4.7 million, respectively.

3. Notes Payable to Banks

The Company has a revolving credit agreement with a group of banks which extends through June 2004. The agreement, which was amended in April 2002, provides a $135 million senior revolving credit facility, including a $10 million letter of credit sub-facility. Borrowings are secured by trade and other receivables and inventories. Interest is payable at rates based on spreads over the London Interbank Offering Rate (LIBOR) or the Prime Rate. A quarterly commitment fee ranging from 0.375% to 0.50% per annum is paid on the unused portion of the commitment. The agreement requires the Company to maintain certain financial ratios and indebtedness tests. Notes payable to banks is classified as current at May 3, 2003 because the Company was not in compliance with certain of the financial covenants at the end of the quarter. The Company is in the process of negotiating a new credit agreement which is expected to close in June 2003.

4. Accounting For Stock-Based Compensation

The Company has adopted the disclosure-only provisions of SFAS No. 123, as amended by SFAS No. 148, “Accounting for Stock-Based Compensation,” and intends to retain the intrinsic value method of accounting for stock-based compensation which it currently uses. Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost of the Company’s stock option plans been determined consistent with the provisions of SFAS No. 123, the Company’s net income and earnings per share would have been reduced to the following pro forma amounts:

	13 Weeks Ended	
	May 3, 2003	May 4, 2002
Net income – as reported	$1,513	$11,368
Stock option compensation – net of tax	377	456
Net income – pro forma	$1,136	$10,912
Basic earnings per share – as reported	$0.04	$0.27
Diluted earnings per share – as reported	0.04	0.27
Basic earnings per share – pro forma	$0.03	$0.26
Diluted earnings per share – pro forma	0.03	0.26

5. Earnings Per Share and Stockholders’ Equity

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding plus common stock equivalents related to stock options for each period.

A reconciliation of weighted-average number of common shares to weighted-average number of common shares plus common stock equivalents is as follows (000's):

	13 Weeks Ended	
	May 3, 2003	May 4, 2002
Weighted-average number of common shares	41,587	41,554
Stock options	-	376
Weighted-average number of common shares plus common stock equivalents	41,587	41,930

During the first quarter of 2003 and 2002, the Company repurchased 50,000 shares and 10,000 shares for $212,000 and $112,000, respectively.

Stein Mart, Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This document includes a number of forward-looking statements which reflect the Company's current views with respect to future events and financial performance. Wherever used, the words "plan", "expect", "anticipate", "believe", "estimate" and similar expressions identify forward looking statements.

Any such forward-looking statements contained in this document are subject to risks and uncertainties that could cause the Company's actual results of operations to differ materially from historical results or current expectations. These risks include, without limitation, ongoing competition from other retailers many of whom are larger and have greater financial and marketing resources, the availability of suitable new store sites at acceptable lease terms, ability to successfully implement strategies to exit or improve under-performing stores, changes in store closings, changing preferences in apparel, changes in the level of consumer spending due to current events and/or general economic conditions, continued decreases in comparable stores sales, adequate sources of designer and brand-name merchandise at acceptable prices, and the Company's ability to attract and retain qualified employees to support planned growth.

The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make clear that any projected results expressed or implied therein will not be realized.

Results of Operations

The following table sets forth, for the periods indicated, the percentage of the Company's net sales represented by each line item presented:

	13 Weeks Ended	
	May 3, 2003	May 4, 2002
Net sales	100.0%	100.0%
Cost of merchandise sold	74.7	72.9
Gross profit	25.3	27.1
Selling, general and administrative expenses	25.6	22.8
Other income, net	1.1	1.0
Income from operations	0.8	5.3
Interest expense	0.1	0.2
Income before income taxes	0.7%	5.1%

Store Closings

In April 2003, management decided to close 13 stores in addition to three already planned for closure in 2003 (see Note 2 to the Financial Statements). In accordance with SFAS No. 146 the estimated pretax charges that will be recorded at the store closing dates during the last three quarters of 2003 are approximately $19 million to recognize the present value of store closing costs. In addition, approximately $10 million in markdowns will be required to liquidate inventory in those stores.

For the 13 weeks ended May 3, 2003 compared to the 13 weeks ended May 4, 2002

Seven stores were opened and two were closed during the first quarter this year, bringing to 270 the number of stores in operation this year compared to 261 stores in operation at the end of the first quarter of 2002.

Net sales for the 13 weeks ended May 3, 2003 were $330.6 million, a 7.1 percent decrease from net sales of $356.0 million for the same period of 2002. Comparable store net sales decreased 9.3 percent from the first quarter of 2002.

Gross profit for the 13 weeks ended May 3, 2003 was $83.7 million or 25.3 percent of net sales compared to $96.5 million or 27.1 percent of net sales for the first quarter of 2002. The 1.8 percent decrease in the gross profit percentage resulted primarily from higher markdowns and a lack of occupancy leverage, somewhat offset by higher mark-up and reduced shrinkage in the first quarter this year compared to last year.

Selling, general and administrative expenses were $84.5 million or 25.6 percent of net sales for the 13 weeks ended May 3, 2003, as compared to $81.3 million or 22.8 percent of net sales for the same 2002 quarter. The 2.8% increase in selling, general and administrative expenses as a percent of sales is primarily due to a lack of sales leverage resulting from the 9.3 percent decrease in comparable store sales. Included in Selling, general and administrative expenses for the first quarter of 2003 is a pre-tax asset impairment charge of $0.8 million related to 2003 store closings (see Note 2 to the Financial Statements).

Other income, primarily from in-store leased shoe departments grew slightly as a percent of net sales due to the completed transition to a new shoe lessee in half of the leased shoe departments.

Interest expense was $0.4 million for the first quarter of 2003 and $0.6 million for the first quarter of 2002. The decrease resulted from lower average borrowings as a result of decreased inventory levels on a per store basis, as well as lower interest rates during the first quarter this year compared to last year.

Net income for the first quarter of 2003 was $1.5 million or $0.04 diluted earnings per share compared to net income of $11.4 million or $0.27 diluted earnings per share for the first quarter of 2002.

Liquidity and Capital Resources

Net cash used in operating activities was $2.3 million for the 13 weeks ended May 3, 2003 compared to net cash provided by operating activities of $9.1 million for the comparable period in 2002. The primary differences in cash flows from operating activities between the first quarter of 2003 and 2002 were decreased net income and decreased cash required for the procurement of merchandise due to the Company's continued inventory control management.

During the first 13 weeks of 2003 and 2002, cash flows used in investing activities amounted to $5.3 million and $7.3 million, respectively, primarily for acquisition of fixtures, equipment, and leasehold improvements for new and existing stores. Total capital expenditures for 2003 are anticipated to be approximately $17 million.

Cash flows from financing activities were $14.7 million and $6.6 million for the 13 weeks ended May 3, 2003 and May 4, 2002, respectively, which reflected in both periods net borrowing under the Company's revolving credit agreement to meet seasonal working capital requirements. During the 13 weeks ended May 3, 2003, cash was used to repurchase 50,000 shares of the Company's common stock for $212,000 compared with 10,000 shares repurchased for $112,000 in same 2002 period.

The Company has a revolving credit agreement with a group of banks which requires the Company to maintain certain financial ratios and meet required net worth and indebtedness tests. The Company was not in compliance with certain of the financial covenants at May 3, 2003. The Company is in the process of negotiating a new credit agreement which is expected to close in June 2003. The Company believes that cash flow generated from operating activities, bank borrowings and vendor credit will be sufficient to fund current and long-term capital expenditures and working capital requirements.

Seasonality

The Company's business is seasonal in nature with a higher percentage of the Company's merchandise sales and earnings generated in the fall and holiday selling seasons. Accordingly, selling, general and administrative expenses are typically higher as a percent of net sales during the first three quarters of each year.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest on the Company's borrowings under its revolving credit agreement is based on variable interest rates and is, therefore, affected by changes in market interest rates. The Company does not use derivative financial instruments to hedge the interest rate exposure and does not engage in financial transactions for trading or speculative purposes.

ITEM 4. DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Exchange Act Rules 13a-14 and 15d-14, within 90 days prior to the filing date of this Quarterly Report on Form 10-Q. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective in ensuring that material information relating to the Company is made known to them by Company employees, particularly during the period in which this Quarterly Report was being prepared. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of evaluation.

Stein Mart, Inc.
PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Stein Mart, Inc. was held on June 9, 2003. At the meeting all of the Company's directors were elected to serve for one-year terms. The vote for each nominee for director was as follows:

Name of Director	Votes For	Votes Withheld
Alvin R. Carpenter	40,386,598	159,258
Linda McFarland Farthing	40,007,640	538,216
Michael D. Fisher	40,381,086	164,770
Mitchell W. Legler	39,678,116	867,740
Gwen K. Manto	40,378,879	166,977
Michael D. Rose	40,006,440	539,416
Richard L. Sisisky	40,385,199	160,657
Jay Stein	40,387,088	158,768
Martin E. Stein, Jr.	40,038,525	507,331
J. Wayne Weaver	40,384,648	161,208
John H. Williams, Jr.	40,385,284	160,572
James H. Winston	40,006,540	539,316

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

99.1 Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
99.2 Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350

(b) Reports on Form 8-K:

A press release dated May 8, 2003 was filed in a Form 8-K on May 14, 2003.
A press release dated May 22, 2003 was filed in a Form 8-K on May 29, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Stein Mart, Inc.

Date: June 16, 2003

/s/ Michael D. Fisher
Michael D. Fisher
President and Chief Executive Officer

/s/ James G. Delfs
James G. Delfs
Senior Vice President and Chief Financial Officer

CERTIFICATIONS

I, Michael D. Fisher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stein Mart, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of Stein Mart, Inc. as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 16, 2003

/s/ Michael D. Fisher
Michael D. Fisher
President and Chief Executive Officer

I, James G. Delfs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stein Mart, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of Stein Mart, Inc. as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 16, 2003

/s/ James G. Delfs
James G. Delfs
Chief Financial Officer

Exhibit 99.1

Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned President and Chief Executive Officer of Stein Mart, Inc. (the "Company"), hereby certify that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended May 3, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 16, 2003

/s/ Michael D. Fisher
Michael D. Fisher

Exhibit 99.2

Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Stein Mart, Inc. (the "Company"), hereby certify that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended May 3, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 16, 2003

/s/ James G. Delfs
James G. Delfs