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 November 1, 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 November 29, 2003, the latest practicable date, there were 41,728,621 shares outstanding of Common Stock, $.01 par value.

STEIN MART, INC.
TABLE OF CONTENTS

Stein Mart, Inc.
Balance Sheets
(In thousands)

	November 1, 2003	February 1, 2003	November 2, 2002
ASSETS	**(Unaudited)**		**(Unaudited)**
Current assets:			
Cash and cash equivalents	$ 13,555	$ 9,859	$ 15,525
Trade and other receivables	9,359	4,919	5,563
Inventories	365,494	297,230	385,441
Prepaid expenses and other current assets	10,115	4,361	7,779
Total current assets	398,523	316,369	414,308
Property and equipment, net	81,541	86,351	90,360
Other assets	10,091	7,497	8,021
Total assets	$490,155	$410,217	$512,689
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$123,206	$ 70,472	$141,326
Accrued liabilities	58,898	53,407	56,935
Income taxes payable	-	5,353	-
Notes payable to banks	-	41,350	-
Total current liabilities	182,104	170,582	198,261
Notes payable to banks	74,968	-	84,700
Other liabilities	21,151	16,328	17,378
Total liabilities	278,223	186,910	300,339
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; 41,729,713; 41,618,678 and 41,528,067 shares issued and outstanding, respectively	417	416	415
Paid-in capital	1,374	721	-
Unearned compensation	(370)	-	-
Retained earnings	210,511	222,170	211,935
Total stockholders' equity	211,932	223,307	212,350
Total liabilities and stockholders' equity	$490,155	$410,217	$512,689

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

Stein Mart, Inc.
Statements of Operations

(Unaudited)
(In thousands except per share amounts)

	13 Weeks Ended		39 Weeks Ended	
	November 1, 2003	**November 2, 2002**	**November 1, 2003**	**November 2, 2002**
Net sales	$315,942	$332,847	$950,047	$1,000,253
Cost of merchandise sold	242,385	259,162	721,504	751,933
Gross profit	73,557	73,685	228,543	248,320
Selling, general and administrative expenses	93,193	82,331	256,051	239,930
Other income, net	3,284	3,244	10,016	10,303
Income (loss) from operations	(16,352)	(5,402)	(17,492)	18,693
Interest expense	421	797	1,313	2,080
Income (loss) before income taxes	(16,773)	(6,199)	(18,805)	16,613
Income tax benefit (provision)	6,374	2,356	7,146	(6,313)
Net income (loss)	$ (10,399)	$ (3,843)	$ (11,659)	$ 10,300
Earnings (loss) per share – Basic	$(0.25)	$(0.09)	$(0.28)	$0.25
Earnings (loss) per share – Diluted	$(0.25)	$(0.09)	$(0.28)	$0.25
Weighted-average shares outstanding – Basic	41,658	41,528	41,615	41,584
Weighted-average shares outstanding –Diluted	41,658	41,528	41,615	41,828

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

Stein Mart, Inc.
Statements of Cash Flows

(Unaudited)
(In thousands)

	39 Weeks Ended	
	November 1, 2003	November 2, 2002
Cash flows from operating activities:		
Net income (loss)	$(11,659)	$10,300
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	14,399	13,940
Impairment of property and other assets	2,290	-
Store closing charges	6,325	-
Deferred income taxes	(1,412)	2,836
Restricted stock compensation	28	-
Tax benefit from exercise of stock options	-	385
Changes in assets and liabilities:		
Trade and other receivables	(4,440)	(362)
Inventories	(68,264)	(89,283)
Prepaid expenses and other current assets	(5,454)	2,855
Other assets	(2,690)	(1,909)
Accounts payable	52,734	47,651
Accrued liabilities	3,036	10,934
Income taxes payable	(5,353)	(4,071)
Other liabilities	2,065	952
Net cash used in operating activities	(18,395)	(5,772)
Cash flows used in investing activities:		
Capital expenditures	(11,783)	(15,699)
Cash flows from financing activities:		
Net borrowings under notes payable to banks	33,618	26,950
Proceeds from exercise of stock options	-	789
Proceeds from employee stock purchase plan	468	482
Purchase of common stock	(212)	(1,501)
Net cash provided by financing activities	33,874	26,720
Net increase in cash and cash equivalents	3,696	5,249
Cash and cash equivalents at beginning of year	9,859	10,276
Cash and cash equivalents at end of period	$ 13,555	$15,525
Supplemental disclosures of cash flow information:		
Interest paid	$ 1,240	$ 2,043
Income taxes paid	7,811	2,316

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

STEIN MART, INC.
NOTES TO FINANCIAL STATEMENTS
November 1, 2003
(Unaudited)

1. Summary of Significant Accounting Policies

The following accounting policies supplement those included in the notes to the financial statements included in the Stein Mart, Inc. annual report on Form 10-K for the year ended February 1, 2003.

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 39-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.

Inventories

Merchandise inventories are valued at the lower of average cost or market, on a first-in first-out basis, using the retail inventory method (RIM). RIM is an averaging method that is widely used in the retail industry. The use of RIM results in inventories being valued at the lower of cost or market as markdowns are taken as a reduction of the retail values of inventories.

Based on a review of historical markdowns, current business trends and seasonal inventory categories, additional inventory reserves may be recorded to reflect estimated markdowns which may be required to liquidate certain inventories and reduce inventories to the lower of cost or market. Management believes its inventory valuation methods approximate the net realizable value of clearance inventory and result in valuing inventory at the lower of cost or market.

Revenue Recognition

Revenue from sales of the Company's merchandise is recognized at the time of sale, net of any returns and allowances, discounts and percentage-off coupons. Future merchandise returns are estimated based on historical experience. Leased department sales are excluded from net sales; commissions, net of related selling expenses, and rental income from leased departments are included in other income, net.

Statements of Operations Classifications

Cost of merchandise sold includes merchandise costs, net of vendor discounts and allowances, freight and inventory shrinkage; store occupancy costs (including rent, common area maintenance, real estate taxes, utilities and maintenance); payroll, benefits and travel costs directly associated with buying inventory; and costs of operating the distribution warehouse.

Selling, general and administrative expenses include store operating expenses, such as payroll and benefit costs, advertising, store supplies, depreciation and other direct selling costs, and costs associated with the Company's corporate functions.

2. Impairment of Long-lived Assets

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets," which requires impairment losses to be recorded on long-lived assets used in operations whenever events or changes in circumstances indicate that the net carrying amounts may not be recoverable. An impairment loss is recognized if the sum of the expected future undiscounted cash flows from the use of the assets is less than the net book value of the assets. During the third quarter of 2003, the

Company recorded a pre-tax non-cash asset impairment charge of $1.5 million to reduce the carrying value of property and equipment of certain under-performing stores to their respective estimated fair value. This charge is included in selling, general and administrative expenses in the Statement of Operations for the 13 and 39 weeks ended November 1, 2003.

During the first quarter of 2003, the Company recorded an asset impairment charge of $0.8 million to reduce the carrying value of property and equipment of four of the stores closing in 2003. This charge is included in selling, general and administrative expenses in the Statements of Operations for the 39 weeks ended November 1, 2003.

3. Store Closings

During 2003, management decided to close 16 under-performing stores. Two stores were closed during the first quarter, two during the second quarter and eight during the third quarter, incurring pre-tax charges of $6.6 million for the present value of lease termination costs. The remaining four stores will close during the fourth quarter with an estimated $0.3 million charge for lease termination costs. Severance costs of $0.7 million were also recorded during 2003. Lease termination costs are net of estimated sublease income that could reasonably be obtained for the properties. In the event the Company is not successful in subleasing closed store locations when management expects, additional reserves for store closing costs may be recorded. Total store closing charges for 2003 are estimated to be approximately $10.0 million, including other related store closing expenses.

The following tables show the activity in the store closing reserve (in thousands):

	Feb. 1, 2003	Charges	Payments	Nov. 1, 2003
Lease termination costs	$4,982	$6,587	$(1,816)	$9,753
Severance	-	687	(455)	232
	$4,982	$7,274	$(2,271)	$9,985

	Feb. 2, 2002	Charges	Payments	Nov 2, 2002
Lease termination costs	$5,680	-	$(478)	$5,202
Severance	-	-	-	-
	$5,680	-	$(478)	$5,202

The store closing reserve at November 1, 2003, February 1, 2003 and November 2, 2002 includes a current portion (in Accrued liabilities) of $3.6 million, $1.5 million and $1.4 million, respectively, and a long-term portion (in Other liabilities) of $6.4 million, $3.5 million and $3.8 million, respectively.

Sales and operating losses of the 12 stores closed and the four stores closing during 2003 are shown below (in thousands):

	Net Sales	Loss From Operations
For the 13 weeks ended November 1, 2003	$ 6,411	$ (9,725)
For the 39 weeks ended November 1, 2003	$30,886	$(20,467)

4. Accrued Liabilities

Accrued liabilities consist of the following:

	Nov. 1, 2003	Nov. 2, 2002
Taxes, other than income taxes	$17,370	$17,790
Compensation and employee benefits	12,709	12,794
Unredeemed gift and returns cards	10,201	8,045
Other	18,618	18,306
	$58,898	$56,935

5. Notes Payable to Banks

In July 2003, the Company completed a three-year $150 million senior revolving credit agreement (the "Agreement") with a group of lenders to replace its existing loan facility. Under the terms of the Agreement, the Company has the option to increase the facility by an additional $25 million and to extend the terms for an additional year.

Borrowings under the Agreement are based on and secured by eligible inventory. The Company routinely issues standby and commercial letters of credit for purposes of securing foreign sourced merchandise and certain insurance programs. Outstanding letters of credit reduce availability under the credit agreement. The Company had $5.6 million in outstanding letters of credit as of November 1, 2003.

The interest rates on borrowings under the Agreement range from Prime to Prime plus .25% per annum for Prime Rate Loans and LIBOR plus 1.50% to LIBOR plus 2.25% per annum for Eurodollar Rate Loans and are established quarterly, based on excess availability as defined in the Agreement. As of November 1, 2003, the interest rates for Prime Rate and Eurodollar Rate Loans were 4.13% and 2.87%, respectively. An unused line fee of .25% to .375% per annum (.375% as of November 1, 2003) is charged on the unused portion of the revolving credit facility, based on excess availability. The Company was in full compliance with the terms of the Agreement as of November 1, 2003.

All borrowings bear interest at variable rates that approximate current market rates and therefore the carrying value of these borrowings approximates fair value.

Notes payable to banks was classified as current at February 1, 2003 because management's projections indicated that the Company would not be in compliance with certain of the financial covenants under the previous credit agreement as of the end of the first quarter 2003.

6. Accounting For Stock-Based Compensation

In 2002, the Compensation Committee of the Board of Directors determined that it was appropriate to undertake an overall review of the Company's compensation strategies. As part of this overall review, it was decided that starting in fiscal 2003 restricted stock awards, as provided for in the Stein Mart, Inc. 2001 Omnibus Plan, in addition to stock options would be granted as part of the Long-term Compensation portion of the compensation program. A total of 72,026 restricted shares were issued to key employees in May 2003 at $5.53 per share, the market value at date of grant. Shares awarded under the plan entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the restriction period. Vesting occurs seven years following the date of grant or at the end of the second fiscal year following date of grant, if certain defined Company performance goals are achieved.

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. Restricted stock awards issued by the Company are accounted for in accordance with APB 25. The employee compensation cost is included in net income, as reported, throughout the vesting period. Had compensation cost of the Company's stock-based plans been determined consistent with the provisions of SFAS No. 123, the Company's net income (loss) and earnings (loss) per share would have been changed to the following pro forma amounts (in thousands except per share amounts):

	13 Weeks Ended		39 Weeks Ended	
	Nov. 1, 2003	Nov. 2, 2002	Nov. 1, 2003	Nov. 2, 2002
Net income (loss) – as reported	$(10,399)	$(3,843)	$(11,659)	$10,300
Add: Restricted stock-based employee compensation expense included in reported net income (loss), net of related tax effects	9	-	18	-
Deduct: Total stock-based employee compensation expense determined under the fair value based method for all awards, net of related tax effects	(363)	(408)	(1,105)	(1,304)
Net income (loss) – pro forma	$(10,753)	$(4,251)	$(12,746)	$ 8,996
Basic earnings (loss) per share – as reported	$(0.25)	$(0.09)	$(0.28)	$0.25
Diluted earnings (loss) per share – as reported	$(0.25)	$(0.09)	$(0.28)	$0.25
Basic earnings (loss) per share – pro forma	$(0.26)	$(0.10)	$(0.31)	$0.22
Diluted earnings (loss) per share – pro forma	$(0.26)	$(0.10)	$(0.31)	$0.22

7. Earnings (Loss) Per Share and Stockholders' Equity

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding plus common stock equivalents for each period. Common stock equivalents are not included in the diluted loss per share calculations for the 13-week periods ended November 1, 2003 and November 2, 2002 and the 39-week period ended November 1, 2003 because they are anti-dilutive.

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		39 Weeks Ended	
	Nov. 1, 2003	Nov 2, 2002	Nov. 1, 2003	Nov. 2, 2002
Weighted-average number of common shares	41,658	41,528	41,615	41,584
Stock options	-	-	-	244
Weighted-average number of common shares plus common stock equivalents	41,658	41,528	41,615	41,828

The Company repurchased 50,000 shares and 220,000 shares during the first 39 weeks of 2003 and 2002, at a cost of $0.2 million and $1.5 million, 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, the effectiveness of planned advertising, marketing, and promotional strategies, 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		39 Weeks Ended	
	Nov. 1, 2003	Nov. 2, 2002	Nov. 1, 2003	Nov. 2, 2002
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of merchandise sold	76.7	77.9	75.9	75.2
Gross profit	23.3	22.1	24.1	24.8
Selling, general and administrative expenses	29.5	24.7	27.0	24.0
Other income, net	1.0	1.0	1.1	1.1
Income (loss) from operations	(5.2)	(1.6)	(1.8)	1.9
Interest expense	0.1	0.3	0.2	0.2
Income (loss) before income taxes	(5.3)	(1.9)	(2.0)	1.7
Income tax benefit (provision)	2.0	0.7	0.8	(0.7)
Net income (loss)	(3.3)%	(1.2)%	(1.2)%	1.0%

Stores

The stores open as of November 1, 2003 and November 2, 2002 were 264 and 266 respectively.

	13 Weeks Ended		39 Weeks Ended	
	Nov. 1, 2003	Nov. 2, 2002	Nov. 1, 2003	Nov. 2, 2002
Stores at beginning of period	270	261	265	253
Stores opened in the period	2	5	11	16
Stores closed in the period	(8)	-	(12)	(3)
Stores at the end of period	264	266	264	266

Store Closings
During 2003, management decided to close 16 under-performing stores (see Note 3 to the Financial Statements). Two stores were closed during the first quarter, two during the second quarter and eight during the third quarter. The remaining four will close in the fourth quarter. Total store closing charges for 2003 are estimated to be approximately $10.0 million, including other related store closing expenses.

Sales and operating losses of the 12 stores closed and the four stores closing during 2003 are shown below (in thousands):

	Net Sales	Loss From Operations
For the 13 weeks ended November 1, 2003	$ 6,411	$ (9,725)
For the 39 weeks ended November 1, 2003	$30,886	$(20,467)

For the 13 weeks ended November 1, 2003 compared with the 13 weeks ended November 2, 2002:
The 5.1% total sales decrease for the 13 weeks ended November 1, 2003 from the prior year reflects a 5.8% decrease in sales from "comparable" stores (defined as stores that have been open throughout this period and for the entire prior year), the opening of 2 new stores, the closing of 8 stores and the 13-week impact of the non-comparable stores opened in 2002 and 2003.

Gross profit for the quarter ended November 1, 2003 was $73.6 million or 23.3 percent of net sales, a 1.2 percentage point increase from gross profit of $73.7 million or 22.1 percent of net sales for the third quarter of 2002. Mark-up improved over last year, but was offset by higher markdowns and a lack of occupancy leverage. Additional markdowns in the going out of business stores represented a 0.8 percentage point decrease in gross profit.

Selling, general and administrative expenses were $93.2 million or 29.5 percent of net sales for the quarter ended November 1, 2003, as compared to $82.3 million or 24.7 percent of net sales for the same 2002 quarter. Approximately half of the 4.8 percentage point increase in selling, general and administrative expenses as a percent of sales is due to a pre-tax asset impairment charge of $1.5 million for under-performing stores and store closing expenses of $6.2 million, including a $5.6 million charge for the present value of lease termination costs for eight stores closed in the third quarter, $0.2 million for severance costs (see Note 3 to the Financial Statements) and $0.4 million of other related store closing expenses. The balance of the increase was due to a lack of leverage resulting from the 5.8% decrease in comparable store net sales, as well as additional expenses related to a new advertising campaign.

Other income, primarily from in-store leased shoe departments, was $3.3 million and $3.2 million for the third quarter of 2003 and 2002, respectively.

Interest expense was $0.4 million for the third quarter of 2003 and $0.8 million for the third quarter of 2002. The decrease resulted from lower average borrowings at lower interest rates during the third quarter this year compared to last year.

Net loss for the third quarter of 2003 was $(10.4) million or $(0.25) loss per share compared to net loss of $(3.8) million or $(0.09) loss per share for the same quarter last year. The pre-tax loss from operations incurred by the 16 stores closed or closing during 2003 totaled $(9.7) million or $(0.14) after tax loss per share in the third quarter of 2003. Excluding the losses from these stores, the loss per share would have been $(0.11).

For the 39 weeks ended November 1, 2003 compared with the 39 weeks ended November 2, 2002:
The 5.0% total sales decrease for the 39 weeks ended November 1, 2003 from the prior year reflects a 7.0% decrease in sales from comparable stores, the opening of 11 new stores, the closing of 12 stores and the 39-week impact of the non-comparable stores opened in 2002.

Gross profit for the 39 weeks ended November 1, 2003 was $228.5 million or 24.1 percent of net sales, a 0.7 percentage point decrease from gross profit of $248.3 million or 24.8 percent of net sales in the first 39 weeks of 2002. Mark-up improved over last year, but was more than offset by higher markdowns and a lack of occupancy leverage. Additional markdowns in the stores that were in a going-out-of-business process accounted for almost half of the markdown impact.

Selling, general and administrative expenses were $256.1 million or 27.0 percent of net sales for the 39 weeks ended November 1, 2003, as compared to $239.9 million or 24.0 percent of net sales for the same 2002 period. More than one-third of the 3.0 percentage point increase in selling, general and administrative expenses as a percent of sales is due to store closing expenses of $9.1 million and a pre-tax asset impairment charge of $1.5 million for under-performing stores. The remaining increase is due to a lack of leverage resulting from the 7.0% decrease in comparable store sales for the first 39 weeks of 2003 and, to a lesser extent, expenses related to a new advertising campaign. Store closing expenses include a $6.6 million charge for the present value of lease termination costs for 12 closed stores, a pre-tax asset impairment charge of $0.8 million related to 2003 store closings, $0.7 million for severance costs (see Note 3 to the Financial Statements) and $1.0 million of other related store closing expenses.

Other income, primarily from in-store leased shoe departments, was $10.0 million and $10.3 million for the first 39 weeks of 2003 and 2002, respectively.

Interest expense was $1.3 million and $2.1 million for the first 39 weeks of 2003 and 2002, respectively. The decrease resulted from lower average borrowings at lower interest rates this year compared to last year.

Net loss for the first 39 weeks of 2003 was $(11.7) million or $(0.28) loss per share compared to net income of $10.3 million or $0.25 earnings per share for the first 39 weeks of 2002. The pre-tax loss from operations incurred by the 16 stores closed or closing during 2003 totaled $(20.5) million or $(0.30) after tax loss per share in the first 39 weeks of 2003. Excluding the losses from these stores, the 39 weeks ended November 1, 2003 would have shown earnings of $0.02 per share.

Liquidity and Capital Resources
Net cash used in operating activities was $18.4 million for the 39 weeks ended November 1, 2003 and $5.8 million for the 39 weeks ended November 2, 2002. The primary use of cash in operations for the 39 weeks ended November 1, 2003 resulted from the net loss of $11.7 million reduced by non-cash expenses for depreciation and amortization, asset impairments and store closing charges. Additionally, cash was used to finance merchandise inventory.

During the first 39 weeks of 2003 and 2002, cash flows used in investing activities amounted to $11.8 million and $15.7 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 $13 million.

Cash flows from financing activities were $33.9 million and $26.7 million for the first 39 weeks of 2003 and 2002, respectively, reflecting primarily net borrowing under the Company's revolving credit agreement to meet working capital requirements.

As discussed in Note 5 to the Financial Statements, in July 2003 the Company completed a three-year $150 million senior revolving credit agreement to replace its existing loan facility. 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.

New Marketing Initiative
For the past three years, as a marketing vehicle to attract new customers, the Company has used various coupons that allowed customers to take a specified percentage discount off of full-priced merchandise. As this practice escalated, it became apparent that these coupons did not support the Company's unique selling proposition. As a result, the Company discontinued these 'percentage off full price' coupons as of the last weekend in July 2003. While coupons may continue to be used on a limited basis in new markets and specific circumstances, the widespread distribution of full-price, percentage off coupons has ceased.

As anticipated, the discontinuation of these customer traffic incentives has hindered sales growth. However, discounts that had previously been devoted to these coupon incentives are now being used to clear seasonal goods more efficiently and create additional freshness in the inventory.

In the third quarter of 2003, the Company began a new advertising campaign to showcase its unique blend of fashion merchandise, outstanding value and convenient locations. The new campaign is both image and event-focused, and uses newspaper inserts, direct mail, radio and television advertising which was rolled out nationwide in October.

Fourth Quarter 2003 Expectations
Although response to the Company's fall merchandise assortment has been encouraging, fourth quarter sales will be disadvantaged by comparisons to almost daily coupons in November and December 2002. Consequently, management expects comparable store sales to decline in the mid-single digit range for those two months, with an opportunity for improvement in January. As a result of tighter inventory control and profitability initiatives, as well as some initial benefit from the new advertising campaign, the Company now expects to approach profitability for the year, in spite of negative comparable store sales and including the costs of closing 16 stores.

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. As of November 1, 2003, the Company had $75.0 million of long-term debt outstanding through Prime Rate and Eurodollar Rate Loans accruing interest at rates of 4.13% and 2.87%, respectively. The Company does not consider the potential losses in future earnings and cash flows from reasonably possible near term changes in interest rates to be material.

ITEM 4. CONTROLS AND PROCEDURES
As of November 1, 2003, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in alerting them to material information relating to the Company required to be included in the Company's Exchange Act filings in a timely manner.

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Stein Mart, Inc.
PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350

32.2 Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350

(b) Reports on Form 8-K:
None

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: December 15, 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

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date: December 15, 2003

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

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date: December 15, 2003

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

Exhibit 32.1

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 November 1, 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: December 15, 2003

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

Exhibit 32.2

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 November 1, 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: December 15, 2003

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