

SHOE CARNIVAL®

Shoe Carnival Updates Full Fiscal Year 2016 Financial Guidance

January 9, 2017

EVANSVILLE, Ind.--(BUSINESS WIRE)--Jan. 9, 2017-- Shoe Carnival, Inc. (NASDAQ: SCVL), a leading retailer of moderately priced footwear and accessories, today announced updated sales and earnings guidance for its fiscal 2016 ending January 28, 2017.

The Company expects fiscal 2016 net sales to be in the range of \$1.000 billion to \$1.003 billion and expects comparable store sales to increase slightly for the full fiscal year. Earnings per diluted share in fiscal 2016 are expected to be in the range of \$1.36 to \$1.38. In fiscal 2015, net sales were \$984.0 million, comparable store sales increased 3.0 percent and the Company earned \$1.45 per diluted share. This fiscal 2016 financial guidance does not include any potential fourth quarter non-cash asset impairment charges, which are typically evaluated at quarter-end.

Shoe Carnival President and CEO Cliff Sifford commented, "We expect net sales to be at the low end of our previous fiscal 2016 guidance, as an improvement in December sales was not enough to offset the softness we experienced in November. Combined comparable store sales for November and December decreased 1.1 percent. We promoted heavily in December, resulting in a projected gross margin decline of approximately 210 basis points for the fourth quarter. We have aggressively managed our inventories and expect our per-store inventories to be down mid-single digits at the end of the fiscal year."

The Company will report its full fourth quarter and fiscal 2016 results on March 16, 2017.

The Company does not plan to provide preliminary financial results in the future other than in unique circumstances, or in the event of a material event that requires disclosure. As previously announced, members of the Shoe Carnival management team will present at the 2017 ICR Conference on Wednesday, January 11, 2017 at 11:00 a.m. Eastern Time in Orlando, FL. The audio portion of the presentation will be webcast live, and a replay will be available on the Investors section of Shoe Carnival's web site at www.shoecarnival.com.

About Shoe Carnival

Shoe Carnival, Inc. is one of the nation's largest family footwear retailers, offering a broad assortment of moderately priced dress, casual and athletic footwear for men, women and children with emphasis on national and regional name brands. As of January 9, 2017, the Company operates 418 stores in 35 states and Puerto Rico, and offers online shopping at www.shoecarnival.com. Headquartered in Evansville, IN, Shoe Carnival trades on The NASDAQ Stock Market LLC under the symbol SCVL. Shoe Carnival's press releases and annual report are available on the Company's website at www.shoecarnival.com.

Cautionary Statement Regarding Forward-Looking Information

This press release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties. A number of factors could cause our actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to: general economic conditions in the areas of the continental United States in which our stores are located and the impact of the ongoing economic crisis in Puerto Rico on sales at, and cash flows of, our stores located in Puerto Rico; the effects and duration of economic downturns and unemployment rates; changes in the overall retail environment and more specifically in the apparel and footwear retail sectors; our ability to generate increased sales at our stores; the potential impact of national and international security concerns on the retail environment; changes in our relationships with key suppliers; the impact of competition and pricing; our ability to successfully manage and execute our marketing initiatives and maintain positive brand perception and recognition; changes in weather patterns, consumer buying trends and our ability to identify and respond to emerging fashion trends; the impact of disruptions in our distribution or information technology operations; the effectiveness of our inventory management; the impact of hurricanes or other natural disasters on our stores, as well as on consumer confidence and purchasing in general; risks associated with the seasonality of the retail industry; the impact of unauthorized disclosure or misuse of personal and confidential information about our customers, vendors and employees; our ability to manage our third-party vendor relationships; our ability to successfully execute our growth strategy, including the availability of desirable store locations at acceptable lease terms, our ability to open new stores in a timely and profitable manner, including our entry into major new markets, and the availability of sufficient funds to implement our growth plans; higher than anticipated costs or impairment charges associated with the closing of underperforming stores; our ability to successfully grow our e-commerce sales; the inability of manufacturers to deliver products in a timely manner; changes in the political and economic environments in China, Brazil, Europe and East Asia, where the primary manufacturers of footwear are located; the impact of regulatory changes in the United States and the countries where our manufacturers are located; the continued favorable trade relations between the United States and China and the other countries which are the major manufacturers of footwear; the resolution of litigation or regulatory proceedings in which we are or may become involved; our ability to meet our labor needs while controlling costs; and future stock repurchases under our stock repurchase program and future dividend payments, and other factors described in the Company's SEC filings, including the Company's latest Annual Report on Form 10-K.

In addition, these forward-looking statements necessarily depend upon assumptions, estimates and dates that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, any forward-looking statements included in this press release do not purport to be predictions of future events or circumstances and may not be realized. Forward-looking statements can be identified by, among other things, the use of forward-looking terms such as "believes," "expects," "may," "will," "should," "seeks," "pro forma," "anticipates," "intends" or the negative of any of these terms, or comparable terminology, or by discussions of strategy or intentions. Given these uncertainties, we caution investors not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We disclaim any obligation to update any of

these factors or to publicly announce any revisions to the forward-looking statements contained in this press release to reflect future events or developments.

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Source: Shoe Carnival, Inc.

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