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

Form 10-Q

(Mark One)

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

For the quarterly period ended May 2, 2009

OR

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

Commission File Number 000-51315

CITI TRENDS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**52-2150697**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
104 Coleman Boulevard Savannah, Georgia	**31408**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (**912) 236-1561**

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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o	Accelerated Filer x
Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	**Outstanding at May 15, 2009**
Common Stock, $.01 par value	14,679,929 shares

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Item 1. Financial Statements.

Citi Trends, Inc.

Condensed Balance Sheets
May 2, 2009 and January 31, 2009
(Unaudited)

(in thousands, except share data)

	May 2, 2009	January 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 44,672	$ 33,516
Inventory	84,613	86,259
Prepaid and other current assets	8,598	10,625
Deferred tax asset	3,629	3,447
Total current assets	141,512	133,847
Property and equipment, net	58,413	58,861
Investment securities	43,097	43,825
Goodwill	1,371	1,371
Deferred tax asset	2,947	2,480
Other assets	450	405
Total assets	$ 247,790	$ 240,789
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 47,899	$ 52,295
Accrued expenses	12,012	11,478
Accrued compensation	5,327	7,514
Current portion of capital lease obligations	988	1,403
Income tax payable	3,977	682
Layaway deposits	1,603	564
Total current liabilities	71,806	73,936
Other long-term liabilities	9,049	8,646
Total liabilities	80,855	82,582
Stockholders' equity:		

Common stock, $0.01 par value. Authorized 32,000,000 shares; 14,845,679 shares issued as of May 2, 2009 and 14,698,852 shares issued as of January 31, 2009; 14,679,929 shares outstanding as of May 2, 2009 and 14,533,102 outstanding as of January 31, 2009	145	145
Paid-in-capital	71,749	70,950
Retained earnings	95,206	87,277
Treasury stock, at cost; 165,750 shares as of May 2, 2009 and January 31, 2009	(165)	(165)
Total stockholders' equity	166,935	158,207
Commitments and contingencies (note 8)		
Total liabilities and stockholders' equity	$ 247,790	$ 240,789

See accompanying notes to the condensed financial statements (unaudited).

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Citi Trends, Inc.

Condensed Statements of Income
Thirteen Weeks Ended May 2, 2009 and May 3, 2008
(Unaudited)

(in thousands, except per share data)

	May 2, 2009	May 3, 2008
Net sales	$ 143,097	$ 120,996
Cost of sales	85,909	74,233
Gross profit	57,188	46,763
Selling, general and administrative expenses	40,133	36,241
Depreciation and amortization	4,373	3,703
Income from operations	12,682	6,819
Interest income	139	868
Interest expense	(41)	(87)
Unrealized loss on auction rate securities	(728)	—
Income before income tax expense	12,052	7,600
Income tax expense	4,123	2,432
Net income	$ 7,929	$ 5,168
Basic net income per common share	$ 0.54	$ 0.36
Diluted net income per common share	$ 0.54	$ 0.36
Net income attributable to common shares		
Basic	$ 7,780	$ 5,127
Diluted	$ 7,780	$ 5,127
Weighted average number of shares outstanding		
Basic	14,318	14,048
Diluted	14,339	14,217

See accompanying notes to the condensed financial statements (unaudited).

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Citi Trends, Inc.

Condensed Statements of Cash Flows
Thirteen Weeks Ended May 2, 2009 and May 3, 2008
(Unaudited)

(in thousands)

	May 2, 2009	May 3, 2008
Operating activities:		
Net income	$ 7,929	$ 5,168
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,373	3,703
Loss on disposal of property and equipment	—	7
Deferred income taxes	(649)	(917)
Noncash stock-based compensation expense	355	445
Excess tax benefits from stock-based payment arrangements	(622)	(209)
Unrealized loss on auction rate securities	728	—

Changes in assets and liabilities:		
Inventory	1,646	(838)
Prepaid and other current assets	2,027	(429)
Other assets	(45)	(24)
Accounts payable	(4,396)	(1,345)
Accrued expenses and other long-term liabilities	937	(987)
Accrued compensation	(2,187)	(1,287)
Income tax payable	3,917	2,282
Layaway deposits	1,039	825
Net cash provided by operating activities	15,052	6,394
Investing activities:		
Purchases of investment securities	—	(4,222)
Sales/redemptions of investment securities	—	3,516
Purchases of property and equipment	(3,925)	(7,058)
Net cash used in investing activities	(3,925)	(7,764)
Financing activities:		
Repayments on capital lease obligations	(415)	(404)
Excess tax benefits from stock-based payment arrangements	622	209
Proceeds from the exercise of stock options	153	127
Cash used to settle equity instruments granted under stock-based payment arrangements	(331)	(68)
Net cash provided by (used in) financing activities	29	(136)
Net increase (decrease) in cash and cash equivalents	11,156	(1,506)
Cash and cash equivalents:		
Beginning of period	33,516	6,203
End of period	$ 44,672	$ 4,697
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 35	$ 82
Cash paid for income taxes	$ 855	$ 1,303

See accompanying notes to the condensed financial statements (unaudited).

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Citi Trends, Inc.
Notes to the Condensed Financial Statements (unaudited)
May 2, 2009

1. Basis of Presentation

Citi Trends, Inc. (the "Company") is a rapidly growing, value-priced retailer of urban fashion apparel and accessories for the entire family. As of May 2, 2009, the Company operated 365 stores in 22 states.

The condensed balance sheet as of May 2, 2009 and the condensed statements of income and cash flows for the thirteen-weeks ended May 2, 2009 and May 3, 2008 have been prepared by the Company without audit. The condensed balance sheet as of January 31, 2009 has been derived from the audited financial statements as of that date, but does not include all required year end disclosures. In the opinion of management, such statements include all adjustments considered necessary to present fairly the Company's financial position as of May 2, 2009 and January 31, 2009, and its results of operations and cash flows for all periods presented. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest Annual Report on Form 10-K for the year ended January 31, 2009.

The accompanying unaudited condensed financial statements are prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. Operating results for the thirteen weeks ended May 2, 2009 are not necessarily indicative of the results that may be expected for the fiscal year ending January 30, 2010.

The following contains references to years 2009 and 2008, which represent fiscal years ending or ended on January 30, 2010 (fiscal 2009) and January 31, 2009 (fiscal 2008), respectively. Fiscal 2009 and fiscal 2008 both have 52-week accounting periods.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates made by management include those made in the valuation of inventory, investment securities, stock-based compensation, property and equipment, and income taxes. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

3. Earnings per Share

Basic earnings per common share amounts are calculated using the weighted average number of common shares outstanding for the period. Diluted earnings per common share amounts are calculated using the weighted average number of common shares outstanding plus the additional dilution for all potentially

dilutive securities, such as stock options and nonvested restricted stock. During loss periods, diluted earnings per share amounts are based on the weighted average number of common shares outstanding.

In accordance with the Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 128, *Earnings per Share*, the Company calculates the dilutive effect of stock-based compensation arrangements using the treasury stock method. This method assumes that the proceeds the Company receives from the exercise of stock options are used to repurchase common shares in the market. In accordance with SFAS No. 123R, *Share-Based Payment*, the Company includes as assumed proceeds the amount of compensation cost attributed to future services and not yet recognized, and the amount of tax benefits, if any, that would be credited to additional paid-in capital assuming exercise of outstanding options and vesting of nonvested restricted stock. For the thirteen weeks ended May 2, 2009 and May 3, 2008, there were 69,000 and 81,000 options outstanding, respectively, to purchase shares of common stock excluded from the calculation of diluted earnings per share because of antidilution.

On February 1, 2009, the Company adopted FASB Staff Position Emerging Issues Task Force (EITF) 03-6-1, "*Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*" ("FSP EITF 03-6-1"). FSP EITF 03-6-1 addresses determinations as to whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share ("EPS") under the two-class method described in paragraphs 60 and 61 of SFAS No. 128. Nonvested restricted stock awards granted to employees and non-employee directors contain nonforfeitable dividend rights and, therefore, are now considered participating securities in accordance with FSP EITF 03-6-1. We have prepared our current and prior period EPS computations to exclude net income allocated to nonvested share awards.

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The following table sets forth the computation of basic and diluted net income per share (in thousands, except per share amounts):

	May 2, 2009	May 3, 2008
Basic:		
Numerator		
Net Income	$ 7,929	$ 5,168
Net income allocated to participating securities	(149)	(41)
Net income attributable to common stockholders-basic	$ 7,780	$ 5,127
Denominator		
Weighted average common shares	14,318	14,048
Net income attributable to common stockholders per share-basic	$ 0.54	$ 0.36
Diluted:		
Numerator		
Net Income	$ 7,929	$ 5,168
Net income allocated to participating securities	(149)	(41)
Net income attributable to common stockholders-basic	$ 7,780	$ 5,127
Denominator		
Denominator for basic calculation	14,318	14,048
Effect of dilutive securities – stock options	21	169
Denominator for diluted calculation	14,339	14,217
Net income attributable to common stockholders per share-diluted	$ 0.54	$ 0.36

4. Fair Value Measurement

Effective February 3, 2008, the Company adopted the methods of fair value as described in SFAS No. 157, *Fair Value Measurements*, to value its financial assets and liabilities. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date. This statement also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. Level 3 inputs are given the lowest priority in the fair value hierarchy.

As of May 2, 2009, the Company had $38.3 million ($43.8 million at par value) of investments in municipal auction rate securities ("ARS") issued by student loan funding organizations. The ARS are classified as trading securities in noncurrent assets and are reflected at estimated fair value. These securities are high-grade (at least AA-rated with one or more rating agencies) and approximately 79% are either guaranteed by the Department of Education under the Federal Family Education Loan Program (37%) or backed by insurance companies, AMBAC Assurance Corporation (31%) or MBIA Insurance Corporation (11%). Historically, liquidity for investors in ARS was provided via an auction process that reset the interest rate every 35 days, allowing investors to either roll over their investments or sell them at par value. Beginning in February 2008, there was insufficient demand for these types of investments during the auctions and, as a result, these securities became illiquid. Although the auctions for the securities have failed, the Company has not experienced any defaults and continues to earn and receive interest on all of the investments still owned by the Company.

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There was insufficient observable market information available as of May 2, 2009 to determine the fair value of the Company's ARS. Accordingly, the Company estimated Level 3 fair values for these securities based on assumptions that market participants would use in their estimates of fair value. These assumptions included, among other things, discounted cash flow projections, the timing of expected future successful auctions or redemptions, collateralization of the underlying securities and the creditworthiness of the issuers and insurance companies. Based on this Level 3 valuation, the ARS investments were valued at $38.3 million as of May 2, 2009, representing a $5.5 million decline from par value.

In November 2008, the Company accepted an offer (the "Right") from UBS AG ("UBS") allowing the Company to sell at par value the remaining ARS to UBS at anytime during a two-year period from June 30, 2010 through July 2, 2012. In accepting the Right, the Company granted UBS the authority to sell or auction the ARS at par value at any time up until the expiration date of the Right and released UBS from any claims relating to the marketing and sale of ARS. The ARS will continue to earn interest until they are liquidated. The obligations of UBS under the Right are not secured by its assets and do not require UBS to obtain any financing to purchase the ARS. UBS has disclaimed any assurance that it will have sufficient financial resources to satisfy its obligations under the Right. If UBS does not have sufficient funding to buy back the ARS and no alternative buyers are located either through the auction process, issuer redemptions or other means, then the Company may not be able to access cash by selling these securities without incurring a loss of principal.

The Right represents a put option and is recognized as an instrument separate from the ARS. The Company elected to account for this Right at fair value under SFAS No. 159. The Right was valued at $4.8 million as of May 2, 2009 using a discounted cash flow approach that includes estimates of interest rates and the credit risk associated with UBS. This valuation is based on unobservable inputs, therefore, represents a Level 3 fair value. Prior to the acceptance of the Right, the ARS were classified as available-for-sale. Upon acceptance of the Right, the ARS were reclassified to trading securities. The ARS and the Right included in the May 2, 2009 balance sheet are classified as noncurrent assets due to the expectation that liquidity will not occur during the next twelve months.

The following table provides a summary of activity for the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the thirteen weeks ended May 2, 2009 (in thousands):

	Put Option Related to ARS	Auction Rate Securities
Balance as of January 31, 2009	$ 4,901	$ 38,924
Unrealized loss on trading securities included in earnings	(149)	(579)
Balance as of May 2, 2009	$ 4,752	$ 38,345

5. Comprehensive Income

The components of comprehensive income for all periods presented are as follows (in thousands):

	Thirteen Weeks Ended	
	May 2, 2009	May 3, 2008
Net income, as reported	$ 7,929	$ 5,168
Other comprehensive loss:		
Unrealized loss on available-for-sale securities, net of tax benefit of $884 in the 13 weeks ended May 3, 2008	—	(1,371)
Comprehensive income	$ 7,929	$ 3,797

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6. Revolving Line of Credit

On March 25, 2009, the Company's $35 million unsecured revolving credit facility with Bank of America was amended to extend the expiration date to March 24, 2010 and to lower the commitment to $20 million, reflecting the Company's cash position and the fact that there have been no borrowings under the facility. In addition, changes were made to the pricing of the facility, including an increase in the unused commitment fee from 0.15% to 0.25% and an amendment of the interest rates. Loans under the facility now bear interest at either (a) a rate equal to the highest of (i) the Federal Funds Rate plus 0.50%, (ii) LIBOR plus 1.0% and (iii) Bank of America's prime rate, plus an applicable margin; or (b) a rate equal to LIBOR plus an applicable margin. The applicable margin, which increased 0.75% under the amendment, is dependent on the Company's consolidated leverage ratio and ranges from 0.75% to 1.25% for loans bearing interest at the rate described under (a) above and from 1.75% to 2.25% for loans bearing interest at the rate described under (b) above.

7. Income Taxes

The Company's effective income tax rate increased to 34.2% in the first quarter of fiscal 2009 from 32.0% in the first quarter of fiscal 2008 due to a declining interest rate environment which resulted in a decrease in tax-free interest income on investments.

8. Commitments and Contingencies

The Company from time to time is involved in various legal proceedings incidental to the conduct of its business, including claims by customers, employees or former employees. While litigation is subject to uncertainties and the outcome of any litigated matter is not predictable, the Company is not aware of any legal proceedings pending or threatened against it that it expects to have a material adverse effect on its financial condition, results of operations or liquidity.

9. Recent Accounting Pronouncements

Effective February 3, 2008, the Company adopted SFAS No. 157, *Fair Value Measurements.* SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and requires additional disclosures about fair value measurements. In February 2008, the FASB issued FASB Staff Position No. 157-2, *Effective Date of Statement No. 157*, which provided a one year deferral of the effective date of SFAS No. 157 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, the Company adopted the provisions of SFAS No. 157 with respect to its financial assets and financial liabilities only in fiscal 2008. The adoption of this statement did not have a material impact on the Company's financial statements. Effective February 1, 2009, the Company adopted SFAS No. 157 for non-financial assets and non-financial liabilities, and such adoption did not have a material impact on the Company's financial statements.

As discussed in Note 3, the Company adopted FSP EITF 03-6-1 on February 1, 2009. Implementation of FSP EITF 03-6-1 will change the way the Company calculates earnings per share and is expected to reduce basic and diluted earnings per share for the fiscal year ending January 30, 2010 by approximately $0.03. All prior period earnings per share information must be adjusted retrospectively. Previously reported basic and diluted earnings per share for the year ended January 31, 2009 will decrease by $0.02.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*, which amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, to require an entity to provide interim disclosures about the fair value of all financial instruments within the scope of SFAS No. 107 and to include disclosures related to the methods and significant assumptions used in estimating those instruments. This FSP is effective for interim and annual periods ending after June 15, 2009. The adoption of this FSP is not expected to have a material impact on the Company's financial statements and related disclosures.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Except for specific historical information, many of the matters discussed in this Form 10-Q may express or imply projections of revenues or expenditures, statements of plans and objectives for future operations, growth or initiatives, statements of future economic performance, or statements regarding the outcome or impact of pending or threatened litigation. These, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors that may cause the actual performance of the Company to differ materially from those expressed or implied by these statements. All forward-looking information should be evaluated in the context of these risks, uncertainties and other factors. The words "believe," "anticipate," "project," "plan," "expect," "estimate," "objective," "forecast," "goal," "intend," "will likely result," or "will continue" and similar words and expressions generally identify forward-looking statements. The Company believes the assumptions underlying these forward-looking statements are reasonable; however, any of the assumptions could be inaccurate, and therefore, actual results may differ materially from those projected in the forward-looking statements.

The factors that may result in actual results differing from such forward-looking information include, but are not limited to: transportation and distribution delays or interruptions; changes in freight rates; the Company's ability to negotiate effectively the cost and purchase of merchandise; inventory risks due to shifts in market demand; the Company's ability to gauge fashion trends and changing consumer preferences; changes in consumer spending on apparel; changes in product mix; interruptions in suppliers' businesses; interest rate fluctuations; a deterioration in general economic conditions caused by acts of war or terrorism or other factors; temporary changes in demand due to weather patterns; seasonality of the Company's business; delays associated with building, opening and operating new stores; delays associated with building, opening, expanding or converting new or existing distribution centers; the future liquidity of auction rate securities; and other factors described in the section titled "Item 1A. Risk Factors" and elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009 and in Part II, "Item 1A. Risk Factors," and elsewhere in the Company's Quarterly Reports on Form 10-Q and any amendments thereto and in the other documents the Company files with the Securities and Exchange Commission ("SEC"), including reports on Form 8-K.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Form 10-Q. Except as may be required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Form 10-Q or to reflect the occurrence of unanticipated events. Readers are advised, however, to read any further disclosures the Company may make on related subjects in its public disclosures or documents filed with the SEC.

Overview

We are a rapidly growing, value-priced retailer of urban fashion apparel and accessories for the entire family. Our merchandise offerings are designed to appeal to the preferences of fashion conscious consumers, particularly African-Americans. Originally our stores were located in the Southeast, and in recent years we expanded into the Mid-Atlantic and Midwest regions and Texas. We operated 365 stores in both urban and rural markets in 22 states as of May 2, 2009.

We measure performance using key operating statistics. One of the main performance measures we use is comparable store sales growth. We define a comparable store as a store that has been opened for an entire fiscal year. Therefore, a store will not be considered a comparable store until its 13th month of operation at the earliest or until its 24th month at the latest. As an example, stores opened in fiscal 2008 and fiscal 2009 are not considered comparable stores in fiscal 2009. Relocated and expanded stores are included in the comparable store sales results. We also use other operating statistics, most notably average sales per store, to measure our performance. As we typically occupy existing space in established shopping centers rather than sites built specifically for our stores, store square footage (and therefore sales per square foot) varies by store. We focus on overall store sales volume as the critical driver of profitability. The average sales per store has increased over the years, as we have increased comparable store sales and opened new stores that are generally larger than our historical store base. Average sales per store increased from $0.8 million in fiscal 2000 to $1.4 million in fiscal 2008. In addition to sales, we measure gross profit as a percentage of sales and store operating expenses, with a particular focus on labor, as a percentage of sales. These results translate into store level contribution, which we use to evaluate overall performance of each individual store. Finally, we monitor corporate expenses against budgeted amounts.

Accounting Periods

The following discussion contains references to fiscal years 2009 and 2008, which represent fiscal years ending or ended on January 30, 2010 (fiscal 2009) and January 31, 2009 (fiscal 2008), respectively. Fiscal 2009 and fiscal 2008 both have 52-week accounting periods. This discussion and analysis should be

read with the condensed financial statements and the notes thereto.

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Results of Operations

The following discussion of the Company's financial performance is based on the condensed financial statements set forth herein. The nature of the Company's business is seasonal. Historically, sales in the first and fourth quarters have been higher than sales achieved in the second and third quarters of the fiscal year. Expenses and, to a greater extent, operating income, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of the Company's business may affect comparisons between periods.

Thirteen Weeks Ended May 2, 2009 and May 3, 2008

Net Sales. Net sales increased $22.1 million, or 18.3%, to $143.1 million in the thirteen weeks ended May 2, 2009 from $121.0 million in the thirteen weeks ended May 3, 2008. The increase in net sales was due primarily to 35 new stores opened since last year's first quarter, together with a 7.4% increase in comparable store sales, partially offset by the effect of closing one store. Comparable stores include locations that have been relocated or expanded. There were four stores relocated or expanded in the first quarter of 2009 and nine stores relocated or expanded in fiscal 2008, all of which impacted comparable store sales. Sales in comparable relocated and expanded stores increased 25.1% in the first quarter of 2009, while sales in all other comparable stores increased 6.6%. Approximately two-thirds of the 7.4% overall increase in comparable store sales was due to a higher average unit retail, with the other one-third being the result of an increase in the number of customer transactions. Comparable store sales changes by major merchandise class were as follows in the first quarter of 2009: Home +14%; Children's +13%; Accessories +8%; Men's +7%; Women's +4%.

The new stores opened in 2008 and 2009, net of the closed store, accounted for a $13.5 million increase in total sales, while the 7.4% sales increase in the 318 comparable stores totaled $8.6 million.

Gross Profit. Gross profit increased $10.4 million, or 22.3%, to $57.2 million in the first quarter of 2009 from $46.8 million in last year's first quarter. The increase in gross profit is a result of the increase in sales, together with an improvement in the gross margin from 38.6% in last year's first quarter to 40.0% this year. Approximately 50 basis points of the gross margin improvement was related to lower freight costs as a percentage of sales that resulted from a reduction in fuel surcharges due to lower gasoline prices. Another 40 basis points of improvement was a result of the steps taken to better control inventory shrinkage, including a greater focus on problem stores by the store operations and loss prevention departments, the addition of sophisticated surveillance systems in high shrinkage stores, and lower inventory levels. The initial markup on merchandise was 30 basis points higher in this year's first quarter, and markdowns as a percentage of sales were lower by 20 basis points due to our continued efforts to closely manage inventory, combined with the strong comparable store sales results.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $3.9 million, or 10.7%, to $40.1 million in the first quarter of 2009 from $36.2 million in last year's first quarter. The increase in these expenses was due primarily to additional store level, distribution and corporate costs arising from the opening of 35 new stores since last year's first quarter. As a percentage of sales, selling, general and administrative expenses improved to 28.0% in the first quarter of fiscal 2009 from 30.0% in the first quarter of fiscal 2008, due primarily to the leveraging effect that occurs on expenses as a percentage of sales when comparable store sales increase at a rate that is higher than the rate of inflation on expenses. In addition, store and distribution payroll costs were managed closely, resulting in a 70 basis point improvement in total payroll expense as a percentage of sales.

Depreciation and Amortization. Depreciation and amortization expense increased $670,000, or 18.1%, to $4.4 million in the first quarter of 2009 from $3.7 million in the first quarter of 2008, as the result of capital expenditures incurred for new and relocated/expanded stores and the expansion of the Darlington distribution center.

Interest Income. Interest income decreased to $139,000 in the first quarter of 2009 from $868,000 in the first quarter of 2008 due to a declining interest rate environment which affected our returns on auction rate securities as well as cash and cash equivalents.

Interest Expense. Interest expense decreased to $41,000 in the first quarter of 2009 from $87,000 in the first quarter of 2008 due to the normal decline in the interest portion of payments on our capital lease obligations as the principal portion of such obligations is reduced.

Unrealized Loss on Auction Rate Securities. An impairment loss of $728,000 on our investments in auction rate securities and a related put option is reflected in the first quarter of fiscal 2009 due primarily to the declining interest rates on such securities.

Income Tax Expense. Income tax expense increased 69.5% to $4.1 million in this year's first quarter from $2.4 million in the first quarter of 2008 due to an increase in pretax income, together with an increase in the effective income tax rate to 34.2% versus 32.0% last year as a result of the reduction in tax-exempt interest income, as discussed above.

Net Income. Net income increased 53.4% to $7.9 million in the first quarter of 2009 from $5.2 million in the first quarter of 2008 due to the factors discussed above.

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Liquidity and Capital Resources

Our cash requirements are primarily for working capital, expansion of our distribution infrastructure, construction of new stores, remodeling of our existing stores and the improvement of our information systems. Historically, we have met these cash requirements from cash flow from operations, short-term trade credit, borrowings under our revolving lines of credit, long-term debt, capital leases, and cash proceeds from our initial public offering. We expect to be able to meet future cash requirements with cash flow from operations, short-term trade credit, existing cash balances and, if necessary, borrowings under our revolving credit facility.

Current Financial Condition. As of May 2, 2009, we had total cash and cash equivalents of $44.7 million compared with total cash and cash equivalents of $33.5 million as of January 31, 2009. Inventory represented 34.1% of our total assets as of May 2, 2009. Management's ability to manage our inventory can have a significant impact on our cash flows from operations during a given interim period or fiscal year. In addition, inventory purchases can be seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Total inventories at the end of the first quarter of 2009 were up $1.4 million, or 1.6%, compared to the first quarter of fiscal 2008, despite an increase in store selling square footage of 13%. Inventory in comparable stores was 7.6% lower than the first quarter of fiscal 2008, due to our efforts to conservatively control our investment in inventory.

Cash Flows From Operating Activities. Net cash provided by operating activities was $15.1 million in the first quarter of fiscal 2009 compared to $6.4 million in the first quarter of fiscal 2008. The main source of cash provided during the first quarter of this year was net income adjusted for noncash expenses such as depreciation and amortization, deferred income taxes, stock-based compensation expense, and the unrealized loss on auction rate securities, totaling $12.7 million (compared to $8.4 million in last year's first quarter). Other significant sources of cash in the first quarter of fiscal 2009 were (1) a $3.9 million increase in income tax payable (compared to $2.3 million in the first quarter of fiscal 2008), resulting from an increase in pretax income, (2) a $2.0 million decrease in prepaid and other current assets (compared to a $0.4 million increase in the first quarter of fiscal 2008) due primarily to the timing of collecting credit card receivables and receivables from landlords for tenant improvement reimbursements, and (3) a $1.6 million decrease in inventory (compared to a $0.8 million increase in the first quarter of fiscal 2008) as a result of efforts to conservatively manage inventory. Significant uses of cash included a $4.4 million decrease in accounts payable (compared to $1.3 million in last year's first quarter) due to the timing of payments made for spring merchandise purchases.

Cash Flows From Investing Activities. Cash used in investing activities was $3.9 million in the first quarter of fiscal 2009 compared to $7.8 million in the first quarter of fiscal 2008. Purchases of property and equipment included in cash flows from investing activities totaled $3.9 million and $7.1 million in the first quarter of fiscal 2009 and 2008, respectively, with the decrease being a result of capital expenditures in the first quarter last year related to the expansion of the Darlington distribution center. Such capital expenditures in both years included routine amounts for new stores, relocated and expanded stores and other general corporate purposes. Purchases of municipal auction rate securities, net of sales, used cash of $0.7 million in the first quarter of fiscal 2008.

Cash Flows From Financing Activities. Cash flows from financing activities were insignificant in the first quarter of fiscal 2009 and 2008.

Cash Requirements

Our principal sources of liquidity consist of: (i) cash and cash equivalents (which equaled $44.7 million as of May 2, 2009); (ii) short-term trade credit; (iii) cash generated from operations on an ongoing basis as we sell our merchandise inventory; and (iv) a $20 million revolving credit facility. Trade credit represents a significant source of financing for inventory purchases and arises from customary payment terms and trade practices with our vendors. Historically, our principal liquidity requirements have been for working capital and capital expenditure needs.

As of May 2, 2009, we had $38.3 million ($43.8 million at par value) of investments in municipal auction rate securities ("ARS") issued by student loan funding organizations. These securities are high-grade (at least AA-rated with one or more rating agencies) and approximately 79% are either guaranteed by the Department of Education under the Federal Family Education Loan Program (37%) or backed by insurance companies, AMBAC Assurance Corporation (31%) or MBIA Insurance Corporation (11%). Historically, liquidity for investors in ARS was provided via an auction process that reset the interest rate every 35 days, allowing investors to either roll over their investments or sell them at par value. Beginning in February 2008, there was insufficient demand for these types of investments during the auctions and, as a result, these securities became illiquid. Although the auctions for the securities have failed, we have not experienced any defaults and continue to earn and receive interest on all of the investments that we still own.

In November 2008, we accepted an offer (the "Right") from UBS AG ("UBS") allowing us to sell at par value our remaining ARS to UBS at anytime during a two-year period from June 30, 2010 through July 2, 2012. In accepting the Right, we granted UBS the authority to sell or auction the ARS at par value at any time up until the expiration date of the Right and released UBS from any claims relating to the marketing and sale of ARS. We will continue to earn interest on the ARS until they are liquidated. The obligations of UBS under the Right are not secured by its assets and do not require UBS to obtain any financing to purchase the ARS. UBS has disclaimed any assurance that it will have sufficient financial resources to satisfy its obligations under the Right. If UBS does not have sufficient funding to buy back the ARS and no alternative buyers are located either through the auction process, issuer redemptions or other means, then we may not be able to access cash by selling these securities without incurring a loss of principal. The Right was valued at $4.8 million as of May 2, 2009.

We believe that our existing sources of liquidity will be sufficient to fund our operations and anticipated capital expenditures for at least the next 12 months.

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Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. There have been no material changes to the Critical Accounting Policies outlined in the Company's Annual Report on Form 10-K for fiscal 2008.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to financial market risks related to changes in interest rates connected with our revolving line of credit, which bears interest at variable rates. We cannot predict market fluctuations in interest rates. As a result, future results may differ materially from estimated results due to adverse changes in interest rates or debt availability. A hypothetical 100 basis point increase in prevailing market interest rates would not have materially impacted our financial position, results of operations or cash flows for the thirteen weeks ended May 2, 2009, because we did not borrow during this period of time. We do not engage in financial transactions for trading or speculative purposes and have not entered into any interest rate hedging contracts.

We source all of our product from apparel markets in the United States in U.S. Dollars and, therefore, are not directly subject to fluctuations in foreign currency exchange rates. However, fluctuations in foreign currency exchange rates could affect our purchasing power with vendors that import merchandise to sell to us. We have not entered into forward contracts to hedge against fluctuations in foreign currency prices.

As of May 2, 2009, we had $38.3 million ($43.8 million at par value) of investments in municipal auction rate securities ("ARS") issued by student loan funding organizations. These securities are high-grade (at least AA-rated with one or more rating agencies) and approximately 79% are either guaranteed by the Department of Education under the Federal Family Education Loan Program (37%) or backed by insurance companies, AMBAC Assurance Corporation (31%) or MBIA Insurance Corporation (11%). Historically, liquidity for investors in ARS was provided via an auction process that reset the interest rate every 35 days, allowing investors to either roll over their investments or sell them at par value. Beginning in February 2008, there was insufficient demand for these types of investments during the auctions and, as a result, these securities became illiquid. Although the auctions for the securities have failed, we have not experienced any defaults and continue to earn and receive interest on all of the investments that we still own. However, interest rates have declined to levels that are much lower than in most of fiscal 2008. As a result, interest income is expected to be significantly lower in fiscal 2009 than in fiscal 2008.

In November 2008, we accepted an offer (the "Right") from UBS AG ("UBS") allowing us to sell at par value our remaining ARS to UBS at anytime during a two-year period from June 30, 2010 through July 2, 2012. In accepting the Right, we granted UBS the authority to sell or auction the ARS at par value at any time up until the expiration date of the Right and released UBS from any claims relating to the marketing and sale of ARS. We will continue to earn interest on the ARS until they are liquidated. The obligations of UBS under the Right are not secured by its assets and do not require UBS to obtain any financing to purchase the ARS. UBS has disclaimed any assurance that it will have sufficient financial resources to satisfy its obligations under the Right. If UBS does not have sufficient funding to buy back the ARS and no alternative buyers are located either through the auction process, issuer redemptions or other means, then we may not be able to access cash by selling these securities without incurring a loss of principal. The Right was valued at $4.8 million as of May 2, 2009.

Item 4. Controls and Procedures.

We have carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of May 2, 2009 pursuant to Rules 13a-15 and 15d-15 of the Exchange Act. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer each concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information has been accumulated and communicated to our management, including the officers who certify our financial reports, as appropriate, to allow timely decisions regarding the required disclosures.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended May 2, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

We are from time to time involved in various legal proceedings incidental to the conduct of our business, including claims by customers, employees or former employees. While litigation is subject to uncertainties and the outcome of any litigated matter is not predictable, we are not aware of any legal proceedings pending or threatened against us that we expect to have a material adverse effect on our financial condition, results of operations or liquidity.

Item 1A. Risk Factors.

There are no material changes to the Risk Factors described under the section "ITEM 1A. RISK FACTORS" in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

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

Not applicable.

Item 5. Other Information.

Not applicable.

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Item 6. Exhibits.

10.1	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and R. Edward Anderson dated March 25, 2009*

10.2	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and R. David Alexander, Jr. dated March 25, 2009*
10.3	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and Elizabeth R. Feher dated March 25, 2009*
10.4	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and Bruce D. Smith dated March 25, 2009*
10.5	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and Ivy D. Council dated March 25, 2009*
10.6	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and James A. Dunn dated March 25, 2009*
10.7	Severance Agreement between the Company and R. Edward Anderson dated March 25, 2009*
10.8	Severance Agreement between the Company and R. David Alexander, Jr. dated March 25, 2009*
10.9	Severance Agreement between the Company and Elizabeth R. Feher dated March 25, 2009*
10.10	Severance Agreement between the Company and Bruce D. Smith dated March 25, 2009*
10.11	Severance Agreement between the Company and Ivy D. Council dated March 25, 2009*
10.12	Severance Agreement between the Company and James A. Dunn dated March 25, 2009*
10.13	First Amendment to Credit Agreement, dated as of March 25, 2009, by and between the Company and Bank of America, N.A. (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended January 31, 2009)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* †

* Filed herewith.

† Pursuant to Securities and Exchange Commission Release No. 33-8238, this certification will be treated as "accompanying" this Quarterly Report on Form 10-Q and not "filed" as part of such report for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of Section 18 of the Securities Exchange Act of 1934 and this certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act 1934, except to the extent that the registrant specifically incorporates it by reference.

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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, and the undersigned also has signed this report in his capacity as the Registrant's Chief Financial Officer (Principal Financial Officer).

CITI TRENDS, INC.

Date: May 29, 2009

By: /s/ Bruce D. Smith
Name: Bruce D. Smith
Title: Senior Vice President, Chief Financial Officer and Secretary

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND R. EDWARD ANDERSON ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as a Chairman and Chief Executive Officer ("CCEO"). Employee shall use his best efforts and shall devote his full time, attention, knowledge and skills to the faithful performance of his duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the Board of Directors. Employee shall comply with Company's policies and procedures, shall conduct himself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as CCEO he will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that he shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as CCEO. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as CCEO, his duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during his employment as CCEO or about whom Employee had confidential or proprietary information because of his position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) his breach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT HE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT HE INDICATES HIS CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ Bruce D. Smith
Bruce D. Smith
Chief Financial Officer

/s/ R. Edward Anderson (L.S.)
Employee Signature

Employee Residence Address:

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND R. DAVID ALEXANDER, JR. ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as a President and Chief Operating Officer ("PCOO"). Employee shall use his best efforts and shall devote his full time, attention, knowledge and skills to the faithful performance of his duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the Chief Executive Officer. Employee shall comply with Company's policies and procedures, shall conduct himself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as he will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that he shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as PCOO. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as PCOO, his duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during his employment as PCOO or about whom Employee had confidential or proprietary information because of his position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) his breach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT HE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT HE INDICATES HIS CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ R. Edward Anderson
R. Edward Anderson
Chairman and Chief Executive Officer

/s/ R. David Alexander, Jr. (L.S.)
Employee Signature

Employee Residence Address:

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND ELIZABETH R. FEHER ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as an Executive Vice President, Chief Merchandising Officer ("ECMO"). Employee shall use her best efforts and shall devote her full time, attention, knowledge and skills to the faithful performance of her duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the Chief Executive Officer. Employee shall comply with Company's policies and procedures, shall conduct herself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as ECMO she will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that she shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as ECMO. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as ECMO, her duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during employment as ECMO or about whom Employee had confidential or proprietary information because of her position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) herb reach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT SHE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT SHE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT SHE INDICATES HER CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ R. Edward Anderson
R. Edward Anderson
Chairman and Chief Executive Officer

/s/ Elizabeth R. Feher (L.S.)
Employee Signature

Employee Residence Address:

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND BRUCE D. SMITH ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as a Senior Vice President, Chief Financial Officer ("SVPCFO"). Employee shall use his best efforts and shall devote his full time, attention, knowledge and skills to the faithful performance of his duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the Chief Executive Officer. Employee shall comply with Company's policies and procedures, shall conduct himself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as SVPCFO he will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that he shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as SVPCFO. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as SVPCFO, his duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during his employment as SVPCFO or about whom Employee had confidential or proprietary information because of his position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) his breach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT HE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT HE INDICATES HIS CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ R. Edward Anderson
R. Edward Anderson
Chairman and Chief Executive Officer

/s/ Bruce D. Smith (L.S.)
Employee Signature

Employee Residence Address:

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND IVY D. COUNCIL ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as a Senior Vice President, Human Resources ("SVPHR"). Employee shall use her best efforts and shall devote her full time, attention, knowledge and skills to the faithful performance of her duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the Chief Executive Officer. Employee shall comply with Company's policies and procedures, shall conduct herself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as SVPHR she will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that she shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as SVPHR. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as SVPHR, her duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during employment as SVPHR or about whom Employee had confidential or proprietary information because of her position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) herb reach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT SHE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT SHE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT SHE INDICATES HER CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ R. Edward Anderson
R. Edward Anderson
Chairman and Chief Executive Officer

/s/ Ivy D. Council (L.S.)
Employee Signature

Employee Residence Address:

EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYMENT NON-COMPETE, NON-SOLICIT AND CONFIDENTIALITY AGREEMENT ("AGREEMENT") IS ENTERED INTO BETWEEN CITI TRENDS, INC. ("COMPANY"), AND JAMES A. DUNN ("EMPLOYEE"), EFFECTIVE AS OF THE 25TH DAY OF MARCH, 2009.

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

1. Employment; Scope of Services. Company shall employ Employee, and Employee shall be employed by Company, as a Senior Vice President, Store Operations ("SVPOP"). Employee shall use his best efforts and shall devote his full time, attention, knowledge and skills to the faithful performance of his duties and responsibilities as a Company employee. Employee shall have such authority and such other duties and responsibilities as assigned by the President & Chief Operating Officer. Employee shall comply with Company's policies and procedures, shall conduct himself as an ethical business professional, and shall comply with federal, state and local laws.

2. At-Will Employment. Nothing in this Agreement alters the at-will employment relationship between Employee and Company. Employment with Company is "at-will" which means that either Employee or Company may terminate the employment relationship at any time, with or without notice, with or without cause. The date of Employee's cessation of employment for any reason is the "Separation Date."

3. Confidentiality.

(a) Employee acknowledges and agrees that (1) the retail sale of value-priced/off-price family apparel is an extremely competitive industry; (2) Company has an ongoing strategy for expansion of its business in the United States; (3) Company's major competitors operate throughout the United States and some internationally; and (4) because of Employee's position as SVPOP he will have access to, knowledge of, and be entrusted with, highly sensitive and competitive Confidential Information (as defined in subsection (b) below) of Company, including without limitation information regarding sales margins, purchasing and pricing strategies, marketing strategies, vendors and suppliers, plans for expansion and placement of stores, and also specific information about Company's districts and stores, such as staffing, budgets, profits and the financial success of individual districts and stores.

(b) "Confidential Information" includes technical or sales data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data and statements, financial plans and strategies, product plans, sales or advertising information and plans, marketing information and plans, pricing information, the identity or lists of employees, vendors and suppliers of Company, and confidential or proprietary information of such employees, vendors and suppliers. Employee acknowledges and agrees that all Confidential Information is confidential and remains the sole and exclusive property of Company. Employee agrees that he shall (a) hold all Confidential Information in strictest confidence; (b) not disclose, reproduce, distribute or otherwise disseminate such Confidential Information, and shall protect such Confidential Information from disclosure by or to others; and (c) make no use of such Confidential Information without the prior

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written consent of Company, except in connection with Employee's employment with Company. "Confidential Information" means any and all data and information relating to Company which (i) derive independent economic value, actual or potential, from not being generally known or readily ascertainable by proper means by other persons who may obtain economic value from their disclosure or use; and (ii) are the subject of reasonable efforts under the circumstances to maintain their secrecy.

(c) In the event any Confidential Information does not qualify for protection as "trade secrets" as defined in Delaware's Uniform Trade Secrets Act, then Employee acknowledges and agrees that the Confidential Information shall remain confidential and shall not be disclosed by Employee during Employee's employment with Company and for a period of two (2) years following the Separation Date, absent the express prior written consent of Company. Trade secret information shall remain confidential so long as such information qualifies as a trade secret under applicable law.

(d) Employee acknowledges that Company has provided or will provide Employee with Company property, including without limitation employee handbooks, policy manuals, price lists, financial reports, and vendor and supplier information, among other items. Upon the Separation Date, or upon the request of Company, Employee shall immediately deliver to Company all property belonging to Company, including without limitation all Confidential Information and any property related to Company, whether in electronic or other format, as well as any copies thereof, then in Employee's custody, control or possession. Upon the Separation Date, Employee shall provide Company with a declaration certifying that all Confidential Information and any other Company property have been returned to Company, that Employee has not kept any copies of such items or distributed such items to any third party, and that Employee has otherwise complied with the terms of Section 3 of this Agreement.

4. Covenant Not to Compete. During Employee's employment with Company and for a period of one (1) year following the Separation Date, and regardless of the reason for separation, Employee shall not compete with Company on behalf of a Competitor in the continental United States**,** or rendering services to such Competitor which are the same or substantially similar to the Services which Employee rendered to Company while employed by Company as SVPOP. For purposes of this Section 4, the term "Competitor" shall mean only the following businesses whose primary business is the sale of value-priced or off-price family apparel, commonly known as: Cato, TJX (including without limitation TJMAXX and Marshalls), and Ross Stores.

5. Covenant Not to Solicit. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee agrees not to solicit any person or entity who has been a vendor or supplier of merchandise and/or inventory to Company during the two (2) years immediately preceding the Separation Date or to whom Company is actively soliciting for the provision of merchandise and/or inventory (collectively referred to as "Merchandise Vendors") and with whom Employee had material contact for the purpose of obtaining merchandise and/or inventory on behalf of any of Company's Competitors, as defined in Section 4 of this Agreement. For purposes of this agreement "material contact" means that Employee either had access to confidential information regarding the Merchandise Vendor, or was directly involved in negotiations or retention of such Merchandise Vendor.

Employee specifically acknowledges and agrees that, as SVPOP, his duties include, without limitation, establishing purchasing and pricing strategies and policies, managing sales margins, involvement in establishing and maintaining vendor relationships, and having contact with and

confidential and/or proprietary information regarding Merchandise Vendors. The non-solicitation restrictions set forth in this Section 5 are specifically limited to Merchandise Vendors with whom Employee had contact (whether personally, telephonically, or through written or electronic correspondence) during his employment as SVPOP or about whom Employee had confidential or proprietary information because of his position with Company.

6. Covenant Not to Recruit Personnel. During Employee's employment with Company and for a period of two (2) years following the Separation Date, and regardless of the reason for separation, Employee will not recruit or solicit to hire or assist others in recruiting or soliciting to hire, any employee of Company and will not cause or assist others in causing any employee of Company to terminate an employment relationship with Company.

7. Severability. If any provision of this Agreement shall be held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provisions to the extent enforceable, shall be binding and remain in full force and effect. Further, each particular prohibition or restriction set forth in any Section of this Agreement shall be deemed a severable unit, and if any court of competent jurisdiction or arbitrator determines that any portion of such prohibition or restriction is against the policy of the law in any respect, but such restraint, considered as a whole, is not so clearly unreasonable and overreaching in its terms as to be unconscionable, the court or arbitrator shall enforce so much of such restraint as is determined by a preponderance of the evidence to be necessary to protect the interests of Company.

8. Survival of Covenants. All rights and covenants contained in Sections 3, 4, 5, and 6 of this Agreement, and all remedies relating thereto, shall survive the termination of this Agreement for any reason.

9. Governing Law. Citi Trends, Inc. is a Delaware corporation. The parties agree that Delaware law applies in the event of any dispute between them arising out of or related to this Agreement.

10. Acknowledgment of Reasonableness/Remedies/Enforcement.

(a) Employee acknowledges that (1) Company has valid interests to protect pursuant to Sections 3, 4, 5, and 6 of this Agreement; (2) his breach of the provisions of Sections 3, 4, 5, or 6 of this Agreement would result in irreparable injury and permanent damage to Company; and (3) such restrictions are reasonable and necessary to protect the interests of Company, are critical to the success of Company's business, and do not cause undue hardship on Employee.

(b) Employee agrees that determining damages in the event of a breach of Sections 3, 4, 5, or 6 by Employee would be difficult and that money damages alone would be an inadequate remedy for the injuries and damages which would be suffered by Company from such breach. Employee further agrees that injunctive relief is an appropriate remedy for such breach and that in the event of such breach Company, in addition to and without limiting any other remedies or rights which it may have, may apply to any court of competent jurisdiction and seek interim, provisional, injunctive, or other equitable relief until the arbitration award on such claim (see Section 10(c) below) is rendered or the claim is otherwise resolved. Employee may also seek interim, provisional, injunctive, or other equitable relief for violations of this Agreement by Company until the arbitration award on such claim is rendered or the claim is otherwise resolved. Employee and Company waive any requirement that a bond or any other security be posted.

(c) Company and Employee agree that any controversy, dispute, or claim arising out of or related to this Agreement, including without limitation its enforceability, interpretation, performance or non-performance by any party, or any breach thereof, shall be resolved exclusively through arbitration pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA"), Amended and Effective July 1, 2006 ("AAA Rules"). Where the AAA Rules and this Agreement conflict or where the AAA Rules are silent, this Section 10(c) shall govern, if applicable. Company and Employee agree that this Section 10(c) is an agreement to arbitrate pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, or if that Act is inapplicable for any reason, the arbitration law of the State of Delaware.

(i) Any arbitration proceedings pursuant to this Agreement shall be resolved by a single arbitrator. The location of any arbitration proceedings shall be determined in accordance with the AAA Rules. The arbitrator shall apply the law of the State of Delaware on the substantive claims asserted, and shall have the authority to award the same remedies, damages, costs, expenses and any other awards that a court could award. The arbitrator shall issue a written award explaining his/her decision, the reasons for the decision, and the calculation and reasoning behind any damages awarded. The arbitrator's decision will be final and binding. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Company will pay (a) AAA administrative fees except that for arbitration claims originally asserted by Employee, Employee will pay to Company a fee that is comparable to the filing fee being charged by the United States District Court for the District of Delaware for the filing of a civil action at the time Employee initiates arbitration; (b) the Arbitrator's fee and reasonable travel expenses; and (c) the cost of renting an arbitration hearing room, if necessary. Each party shall pay its own experts' and/or attorneys' fees unless the arbitrator awards reasonable experts' and/or attorneys' fees to Employee.

(ii) Consistent with Section 7 of this Agreement, should a court of competent jurisdiction or arbitrator determine that the scope of any provision of this Section 10(c) is too broad to be enforced as written, Company and Employee intend that the court or arbitrator reform the provision to such narrower scope as is determined to be reasonable and enforceable.

(iii) Should this Section 10(c) not be invoked by the parties or should an arbitrator or court of competent jurisdiction determine that the parties' agreement to arbitrate is unenforceable, then the parties agree that Delaware shall be the forum for any dispute arising out of or related to this Agreement.

11. Miscellaneous. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and Employee relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both Company and Employee. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS ITS CONTENTS, THAT HE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND THAT HE INDICATES HIS CONSENT BY SIGNING THIS FINAL PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Citi Trends, Inc.

By: /s/ R. Edward Anderson
R. Edward Anderson
Chairman and Chief Executive Officer

/s/ James A. Dunn (L.S.)
Employee Signature

Employee Residence Address:

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), and R. Edward Anderson, an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination or if greater, the Executive's base rate in effect on the Change of Control Date; to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ Bruce D. Smith
Name: Bruce D. Smith
Title: Chief Financial Officer

/s/ R. Edward Anderson
R. Edward Anderson

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), and R. David Alexander, Jr., an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination, to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ R. Edward Anderson
Name: R. Edward Anderson
Title: Chairman and Chief Executive Officer

/s/ R. David Alexander, Jr.
R. David Alexander, Jr.

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), and Elizabeth R. Feher, an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination or if greater, the Executive's base rate in effect on the Change of Control Date; to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ R. Edward Anderson
Name: R. Edward Anderson
Title: Chairman and Chief Executive Officer

/s/ Elizabeth R. Feher
Elizabeth R. Feher

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), and Bruce D. Smith, an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination or if greater, the Executive's base rate in effect on the Change of Control Date; to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ R. Edward Anderson
Name: R. Edward Anderson
Title: Chairman and Chief Executive Officer

/s/ Bruce D. Smith
Bruce D. Smith

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), and Ivy D. Council, an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination or if greater, the Executive's base rate in effect on the Change of Control Date; to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ R. Edward Anderson
Name: R. Edward Anderson
Title: Chairman and Chief Executive Officer

/s/ Ivy D. Council
Ivy D. Council

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (this "Agreement") made this 25th day of March 2009, is by and between Citi Trends, Inc., a Delaware corporation (the "Company"), James A. Dunn, an individual (the "Executive").

WHEREAS, the Company and the Executive are also parties to an Employment Non-Compete, Non-Solicit and Confidentiality Agreement (the "Confidentiality Agreement") and certain restricted stock award and stock option agreements (collectively, the "Equity Agreements") which are to remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the parties agree as follows:

1. **Termination Payments and Benefits.** Regardless of the circumstances of the Executive's termination, Executive shall be entitled to payment when due of any earned and unpaid base salary, expense reimbursements and vacation days accrued prior to the termination of Executive's employment, and other unpaid vested amounts or benefits under Company retirement and health benefit plans, and, as applicable, under Equity Agreements in accordance with their terms, and to no other compensation or benefits. If (i) the Company terminates the Executive's employment without Cause, or (ii) the Executive terminates employment with the Company within twelve (12) months following the occurrence of a Change in Control, provided that within such period, either Executive's job duties have been materially and permanently diminished or the Executive's compensation has been materially decreased, then, in the case of either (i) or (ii) above, the Company will provide the Executive with separation payments of twelve (12) months base salary at Executive's base salary rate at the time of Executive's termination or if greater, the Executive's base rate in effect on the Change of Control Date; to be paid in twenty-six (26) regular bi-weekly pay periods beginning on the first pay period following the termination of the Executive and Executive's execution of the Separation and General Release Agreement referenced below.

For purposes of this Agreement, "Change in Control" shall mean the occurrence of any one of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (1), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who is on the date of this Agreement the beneficial owner of 50% or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (v) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this definition; or

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(2) individuals who, as of the date of this Agreement, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company; or

(3) consummation of a reorganization, merger, consolidation or share exchange or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

These separation payments are conditioned upon Executive executing a Separation and General Release Agreement at the time of termination which releases and waives any and all claims against the Company and its affiliated persons and companies, and is acceptable to the Company.

In all other circumstances of separation, including if the Executive resigns, retires or is terminated for Cause, the Executive shall not be entitled to receive any separation payments. For purposes of this Agreement, "Cause" shall mean the Executive's:

(1) commission of an act of fraud or dishonesty, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

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(2) conviction of a felony or a crime involving embezzlement, conversion of property or moral turpitude (whether by plea of nolo contendere or otherwise);

(3) engaging in willful or reckless misconduct or gross negligence in connection with any property or activity of the Company, the purpose or effect of which, in the CEO and/or Board's sole determination, adversely affects the Company;

(4) material breach of any of the Executive's obligations as an employee or stockholder as set forth in the Company's Information Security Policies and Code of Business Conduct, the Confidentiality Agreement or any other agreement in effect between the Company and the Executive; provided that, in the event such breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such breach and 30 days from such notice fails to cure the breach; or

(5) failure or refusal to perform any material duty or responsibility under this Agreement or a determination that the Executive has breached his fiduciary obligations to the Company; provided that, in the event such failure, refusal or breach is susceptible to cure, the Executive has been given written notice by the CEO and/or Board of such failure, refusal or breach and 30 days from such notice fails to cure such failure, refusal or breach.

2. **Notice.** The Executive will send all communications to the Company in writing, to: Senior Vice President of Human Resources, Citi Trends, Inc., 104 Coleman Blvd., Savannah, Georgia 31408, Fax: (912) 443-3663. All communications from the Company to the Executive relating to this Agreement shall be sent to the Executive in writing at his office and home address as reflected in the Company's records.

3. **Amendment.** No provisions of this Agreement may be modified, waived, or discharged except by a written document signed by a duly authorized Company officer and the Executive. A waiver of any conditions or provisions of this Agreement in a given instance shall not be deemed a waiver of such conditions or provisions at any other time in the future.

4. **Choice of Law and Venue.** The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Georgia (excluding any that mandate the use of another jurisdiction's laws). Any action to enforce or for breach of this Agreement shall be brought exclusively in the state or federal courts of the County of Chatman, City of Savannah.

5. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and Executive's estate, but the Executive may not assign or pledge this Agreement or any rights arising under it, except to the extent permitted under the terms of the benefit plans in which Executive participates. Without the Executive's consent, the Company may assign this Agreement to any affiliate or to a successor to substantially all the business and assets of the Company.

6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute the same instrument.

7. **Entire Agreement.** This Agreement and the Confidentiality Agreement between the parties constitute the entire agreement between the parties and supersede any and all prior contracts, agreements, or understandings between the parties which may have been entered into by Company and the Executive relating to the subject matter hereof. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by both the Company and the Executive. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies are cumulative, including the right of either party to seek equitable relief in addition to money damages.

8. **Employment At-Will Relationship.** Executive and the Company agree that nothing in this Agreement alters the at-will nature of Executive's employment relationship with the Company.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

CITI TRENDS, INC.

By: /s/ R. Edward Anderson
Name: R. Edward Anderson
Title: Chairman and Chief Executive Officer

/s/ James A. Dunn
James A. Dunn

Exhibit 31.1

CERTIFICATION

I, R. David Alexander, Jr., President and Chief Executive Officer of Citi Trends, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended May 2, 2009, of Citi Trends, 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 the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control 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 control over financial reporting.

Date: May 29, 2009

/s/ R. David Alexander, Jr.
R. David Alexander, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Bruce D. Smith, Chief Financial Officer of Citi Trends, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended May 2, 2009 of Citi Trends, 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 the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control 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 control over financial reporting.

Date: May 29, 2009

/s/ Bruce D. Smith
Bruce D. Smith
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350, as adopted).

I, R. David Alexander, Jr., President and Chief Executive Officer of Citi Trends, Inc.,

and

I, Bruce D. Smith, Chief Financial Officer of Citi Trends, Inc., certify that:

1. We have reviewed this quarterly report on Form 10-Q of Citi Trends, Inc. for the period ended May 2, 2009;

2. Based on our knowledge, this quarterly report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

3. Based on our knowledge, the financial statements, and other information included in this quarterly report, fairly present in all material respects the financial condition and results of operations of the registrant as of, and for, the periods presented in this quarterly report.

Date: May 29, 2009

/s/ R. David Alexander, Jr.
R. David Alexander, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 29, 2009

/s/ Bruce D. Smith
Bruce D. Smith
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Citi Trends, Inc. and will be retained by Citi Trends, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.