

TULLY & HOLLAND

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Chain Store Sales Update

Retailers | Comparable Sales Tracking

Month Ending August 25, 2012

Chain Store Comparable Growth

Discount/Off Price	+ 6.0%
Mid-tier Dept. Stores	+ 4.3%
Specialty Apparel	+ 4.1%
Luxury Retail	+ 24.0%
All Stores Reporting	+ 5.4%

For the four weeks ended August 25th, 2012, chain stores reported the best comparable store sales growth performance since March. The 22 chain stores tracked monthly by Tully & Holland reported a median comparable store sales increase of 5.4% for the month. Eighty-two percent of the chains monitored reported same store sales increases in August.

The Luxury sector was the clear standout in August, with a comp stores increase of 24% for the month. Jaw dropping luxury sales performance was the direct result of a 24% increase in same store sales at Nordstrom produced by its anniversary sale. Notably, Saks ceased reporting monthly comparable store sales in July 2012, so that Nordstrom is the only remaining chain in this category. Neiman Marcus had ceased reporting comparable store sales in July 2011.

The Discount sector produced a median increase in like stores sales of 6.0%. Impressive same store sales growth was driven by a particularly strong showing from off-price retailers, which posted a median increase in like store sales of 7.6%. Among the off-price leaders were The Rack (up 7.1%), Ross Stores (up 8.0%) and TJX (up 8.0%). In the discount and warehouse club segments, Old Navy and Costco were strong performers with comparable store sales growth of 12.0% and 6.0%, respectively.

The Mid-tier Department Stores posted a median increase of 4.3% for the month of August. The sector was led by Stage Stores (up 6.5%), Macy's (up 5.1%), and Kohl's (up 3.4%).

Overall the Specialty Apparel sector demonstrated solid performance with median increase in same store sales of 4.1%. There were, however, clear winners and losers in this category. Among the winners were Gap (up 9%), Victoria's Secret (up 9%), and Banana Republic (up 8.0%). Among the laggards were Arden B (down 16.3%) and Wet Seal (down 18.5%).

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