

TULLY & HOLLAND

INCORPORATED

Chain Store Sales Update

Retailers | Comparable Sales Tracking

5 Weeks Ended December 29, 2012

Chain Store Comparable Growth

| | |
|----------------------|--------|
| Discount | + 1.1% |
| Department Stores | + 3.4% |
| Specialty Apparel | - 0.5% |
| Off-Price Apparel | + 6.0% |
| All Stores Reporting | + 2.2% |

For the five weeks ended December 29th 2012, the 22 chain stores tracked monthly by Tully & Holland reported a median comparable store sales decrease of 2.2%. While the overwhelming majority of chains monitored (77%) reported growth same store sales, many retailers achieved this feat through promotions.

The Off-Price sector continued to outperform all other sectors posting a median comp store increase of 6.0% for the month. Among the off-price leaders were Steinmart (up 5.9%), The Rack (up 8.1%), TJX (up 6.0%), and Ross Stores (up 6.0%).

Also strong, the Department Store segment posted solid performance with median same store sales growth of 3.4%. The strongest performers in the category were Nordstrom (up 8.2%) and Macy's (up 4.1%).

Almost across the board, the Specialty Apparel sector demonstrated weak performance. Specialty Apparels chains reported a median decline in same store sales of 0.5% for December. Arden B (down 11.5%), Wet Seal (down 9.4%) and Cato (down 7.0%) suffered from the largest declines. Gap was the best performer in the category posting same store sales growth of 2.0%.

Discounters produced a median increase in like store sales of 1.1% in December, but performance was very much a mixed bag. Among this group, warehouse club Costco (up 8.0%) and Old Navy (up 13.0%) were the standout leaders. While Fred's was the standout laggard reporting a 4.2% decline same store sales.

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