

TULLY & HOLLAND

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Chain Store Sales Update

Retailers | Comparable Sales Tracking

Month Ending July 28, 2012

Chain Store Comparable Growth

Discount/Off Price	+ 7.0%
Mid-tier Dept. Stores	+ 2.9%
Specialty Apparel	+ 3.7%
Luxury Retail	+ 2.4%
All Stores Reporting	+ 3.5%

Most retailers posted favorable results in July, albeit during a historically slow sales month used to clear merchandise prior to back-to-school. The 23 chain stores tracked monthly by Tully & Holland reported a median comparable store sales increase of 3.5% for the month. Amazingly, eighty-three percent of the chains monitored reported same store sales increases in July.

The Discount sector was the clear leader in July, producing a median increase in like stores sales of 7.0%. 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 7.0%. Among the off-price leaders were; The Rack (up 9.7%); Ross Stores (up 7.0%); and TJX (up 7.0%). Additionally both Old Navy and Costco were strong performers with comparable store sales growth of 12.0% and 8.0%, respectively.

The Mid-tier Department Stores posted a median increase of 2.9% for the month of July. The sector was led by Stage Stores (up 5.3%) and Macy's (up 4.1%), off set by slower growth from Bon-Ton (up 0.1%) and Kohl's (up 1.7%).

The Specialty Apparel sector showed significant improvement in July with a median increase in same store sales of 3.7%. There were, however, clear winners and losers in this category. Among the winners were: Gap (up 13%); Victoria's Secret (up 12%); Banana Republic (up 8.0%); and Zumiez (up 7.5%). Among the laggards were: Cato

(down 2%); Arden B (down 14.1%); and Wet Seal (down 15.9%).

While remaining buoyant, comparable store sales growth in the high end retail stores subsided in July. Saks posted a same store sales increase of 3.5% for the month, while Nordstrom produced 1.3%.

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