

TULLY & HOLLAND

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Chain Store Sales Update

Retailers | Comparable Sales Tracking

Month Ending March 31, 2012

Chain Store Comparable Growth

Discount/Off Price	+ 7.3%
Mid-tier Dept. Stores	+ 4.2%
Specialty Apparel	+ 5.7%
Luxury Retail	+ 7.8%
All Stores Reporting	+ 6.3%

Most retailers reported robust same store sales growth in March. While positive sales growth had been anticipated due to the early Easter and easy comparisons against flat sales in March 2011, sales growth exceeded market expectations due to unseasonably warm weather which stimulated sales of spring apparel offerings.

The 23 chain stores tracked monthly by Tully & Holland reported a median comparable store sales increase of 6.3% for the month of March. More than eighty-percent of the chains monitored reported same store sales increases for the month.

The highest comparable sales growth was seen in the Luxury, Specialty Apparel, and Discount/Off Price segments.

The Discount/Value segment realized a median increase of 7.3%, driven by healthy performance from warehouse clubs (up 6.0%), off-price retailers (up 8.7%), Old Navy (up 11.0%) and Target (up 7.3%). Alco, Fred's and Steinmart underperformed their peers in the segment.

The Specialty Apparel sector reported a median increase in same store sales of 5.7%. Of interest, Gap posted its second consecutive monthly increase in comparable store sales (up 9.0%). Zumiez and Victoria's Secret continued to outperform the market with double digit like store sales increases, but deteriorating trends at Wet Seal and Arden B endured. For Wet Seal, March marked its eighth consecutive monthly decline in same

store sales. The Mid-tier Department Store segment posted a median increase in same store sales of 4.2% for the month. Within the Mid-tier, Macy's has consistently outperformed its peer group.

Chris Kampe | Managing Director
T 781-239-2900 x19 | M 617-548-6741
ckampe@tullyandholland.com

Tully & Holland, Inc.

Investment Banking for Consumer Product Companies
Food & Beverage, Direct Marketers, Retailers, Manufacturers & Distributors
www.tullyandholland.com
(781) 239-2900