

TULLY & HOLLAND

INCORPORATED

Chain Store Sales Update

Retailers | Comparable Sales Tracking

Month Ending May 31, 2012

Chain Store Comparable Growth

Discount/Off Price	+ 4.4%
Mid-tier Dept. Stores	+ 2.9%
Specialty Apparel	+ 4.5%
Luxury Retail	+ 5.1%
All Stores Reporting	+ 4.2%

The 23 chain stores tracked monthly by Tully & Holland reported a median comparable store sales increase of 4.2% for the month of May. More than eighty-percent of the chains monitored reported same store sales increases for the month.

Every sub-sector of retail posted solid performance. However, the highest comparable sales growth was seen in the Luxury, Specialty Apparel, and Discount/Value segments.

The Discount/Value segment realized a median increase of 4.4%, driven by healthy performance from warehouse clubs (up 6.0%), off-price retailers (up 6.6%), and discounters (up 1.8%). The Off-Price category was led by TJX (up 8.0%) and The Rack (up 8.0%). Within the discounters category, Target led the way with a 4.4% increase in like store sales.

The Specialty Apparel sector reported a 4.5% median increase in same store sales. Zumiez and Victoria's Secret continued to outperform the market, but deteriorating trends at Wet Seal and Arden B endured. For Arden B, May marked its tenth consecutive monthly decline in same store sales. Gap's rebound appeared to gain momentum, with Gap comparable store sales increasing 6.0% and Banana Republic up 8.0%.

The Mid-tier Department Store segment posted a median increase in same store sales of 2.9% for the month. Within the Mid-tier, Stage Stores posted a surprising 8.0% increase

in comparable store sales for the month. Macy's continued to be a leader in the category posting a 4.2% increase in like store sales.

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