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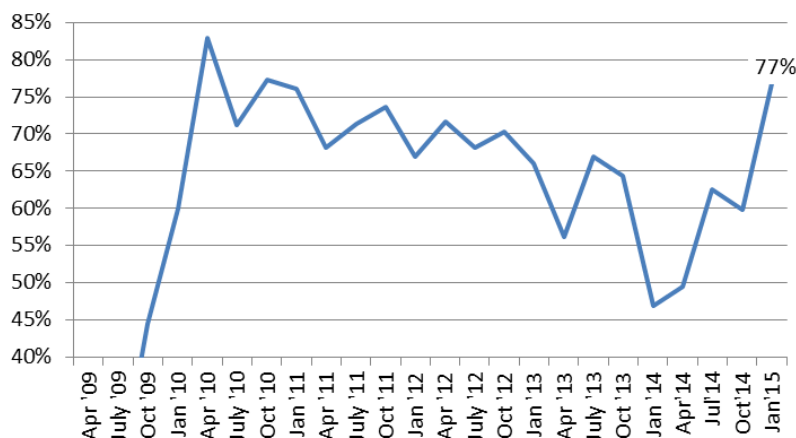
Chain Store Sales Quarterly Update

Retailers | Comparable Sales Tracking – 4th Quarter ended January 31, 2015

Quarterly Overview

For the quarter ended January 31, 2015, the 108 chain stores tracked quarterly by Tully & Holland reported a median 3.7% increase in comparable store sales, the largest increase since the end of 2012. Eighty-three of the chains monitored (77%) reported positive growth in same store sales in the quarter. Please see below for a brief breakdown by segment as well as individual company performance highlights.

% Chains Reporting Same Store Sales Growth



Source: Company Press Releases and T&H Analysis

SAME STORE SALES GROWTH

| Sector Same Store Sales Growth (Medians) | Jan '15 |
|--|-------------|
| Athletic Footwear | 10.2% |
| Beauty Aids | 9.6% |
| Men's Apparel | 6.8% |
| DIY Home Centers | 6.8% |
| Off-Price | 5.8% |
| Home Furnishings | 5.7% |
| Warehouse Club | 5.0% |
| Luxury Goods | 4.1% |
| Footwear | 4.0% |
| Jewelry | 3.7% |
| Department Stores | 3.7% |
| Discount | 2.9% |
| Specialty Apparel | 2.0% |
| Books, Toys & Gifts | 1.7% |
| Sporting Goods | 1.5% |
| Mass Merchandisers | 0.8% |
| Consumer Electronics | -1.3% |
| Total | 3.7% |

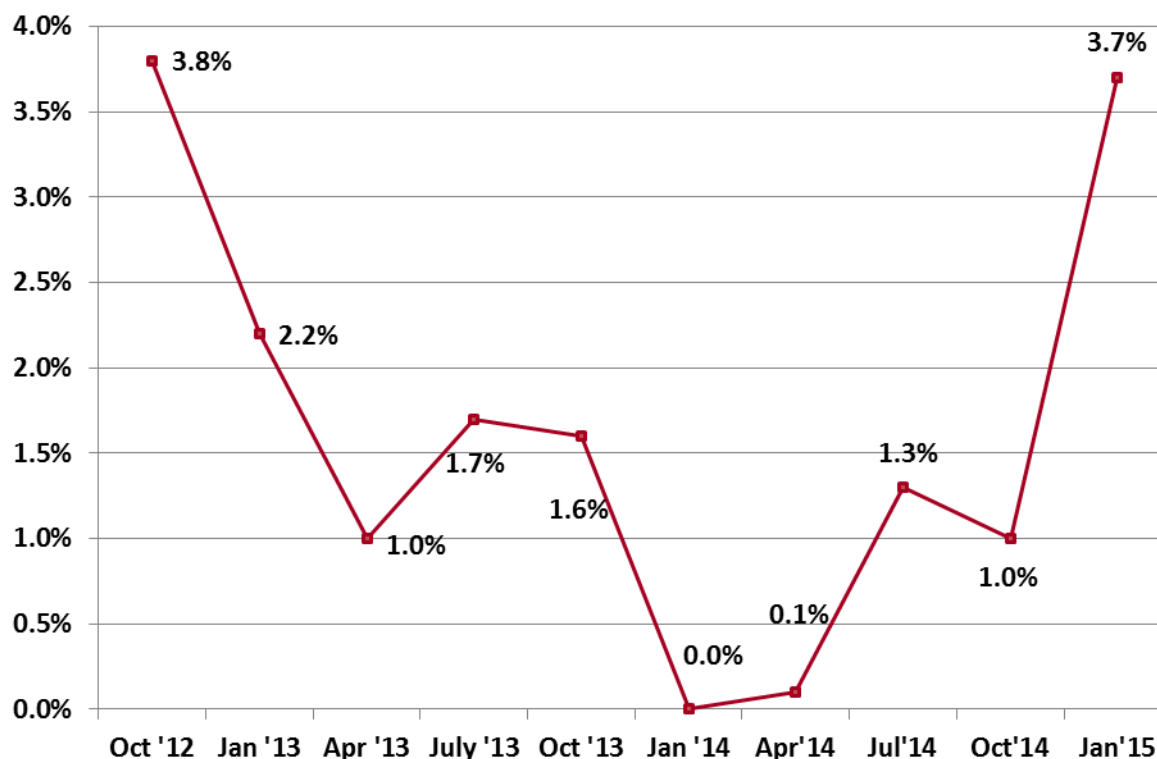
Best Performing Segments

The best performing segments included: Athletic Footwear, Beauty Aids, Men's Apparel, DIY Home Centers and Off-Price. Strong double digit comparable store sales increase at Foot Locker and Journeys propelled the athletic footwear segment to the top of the pack this quarter. Beauty Aids category was again a solid performer backed by continued momentum at Ulta Salon and Bath & Body Works.

Worst Performing Segments

While the overall retail climate improved this quarter, segments such as Consumer Electronics as well as Books, Toys & Gifts continued to see sluggish trends. RadioShack's Chapter 11 filing and negative comparable store sales at Best Buy highlight the difficult operating environment for consumer electronics retailers. Negative comparable store sales growth in the Books, Toys & Gifts segment was consistent with the trend observed over the last few quarters.

Historical Chain Quarterly Same Store Sales Growth



Source: Company Press Releases and T&H Analysis

Key Standouts by Brand

| Leaders | |
|-------------|-------|
| Kate Spade | 21.0% |
| West Elm | 19.6% |
| Free People | 18.0% |
| Journeys | 16.0% |
| Citi Trends | 13.9% |

| Laggards | |
|---------------------|--------|
| Coach | -22.0% |
| Abercrombie & Fitch | -10.0% |
| American Apparel | -9.9% |
| Aeropostale | -9.0% |
| CVS | -7.2% |

Source: Company Press Releases and T&H Analysis

Best Performing Chains

New to the list are Journey's and Citi Trends. Journey's is benefiting from a strong fashion cycle in favor of casual and boots while Citi Trends got a boost from early tax refunds this year as well as investment in cold weather merchandise inventory.

Worst Performing Chains

Coach, losing favor to Michael Kors, Kate Spade, and others, suffered a 22% decline in same store sales. The next 3 laggards in the quarter were all specialty teen retailers, whose brands have been steadily losing their appeal with their core demographics. On the other hand, CVS is trying to cycle through the negative impact from discontinuation of cigarette sales.

Key Highlights from Quarterly Analyst Conference Calls

“Fourth quarter comp sales were the strongest in more than two years, with positive traffic for the first time in nine quarters.”

Doug McMillon, President and Chief Executive Officer, Wal-Mart Stores, Inc.

“Our stronger businesses in the fourth quarter were coats, active, dresses, handbags, younger millennial apparel, shoes, both men's and women's, cosmetics and furniture mattresses.”

Karen Hoguet, Chief Financial Officer, Macy's

“Put very simply, there are three things needed to succeed in today's retail environment: compelling product; a seamless brand experience with multiple touch points; and a highly responsive, efficient, and flexible operating structure.”

Katherine Lawther Krill, President & Chief Executive Officer, Ann

“Our mobile sales were up 100% year over year last year, and a big part of that was the improvements we made in the site experience.”

Pat Connolly, EVP, Chief Strategy and Business Development Officer, Williams-Sonoma

“For 2015, we believe overall GDP growth and continued tailwind from housing recovery will be the principle drivers of growth for our business.”

Craig Menear, President, Chief Executive Officer, Home Depot Inc.

“Additionally, we saw a shift out of casual footwear into the fashion athletic category. It's no secret that customers of all ages are wearing sneakers more often and for more occasions.”

Mike MacDonald, President and CEO, DSW

Source: Seeking Alpha: Earnings Conference Call Transcripts

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