

May 12, 2011

MICHAELS SECURES U.S. STORES

Retailer offers additional details in PIN pad tampering investigation

(IRVING, Texas) Michaels has removed the PIN pad tampering threat from its U.S. stores and believes it has identified the time frame that customer information was exposed. Based on the latest information available, exposed PIN pad transactions occurred from February 8 through May 6, the date Michaels disabled the tampered devices.

"We are confident Michaels stores are a safe place to shop," said Michaels CEO John Menzer. "We want to express how deeply we regret any issues experienced by our loyal customers who have been affected in any way, and thank all our customers for their support."

The Secret Service has commended Michaels' quick action in alerting consumers and disabling devices in its US stores. Though the investigation is ongoing, as of May 12, fewer than 100 customer PIN debit cards have been reported used in fraudulent transactions.

While credit card information may also have been exposed during that time frame, law enforcement officials have not received any reports of related credit card fraud.

Michaels continues to work closely with payment card brands and issuers to identify the accounts that may have been compromised so issuers can employ enhanced fraud security measures immediately on potentially impacted accounts. In addition, the company is assisting federal and state law enforcement authorities to help find the persons responsible for the crimes.

Michaels continues to urge customers to take precautionary measures such as checking their accounts for unauthorized transactions. Consumers who believe their accounts were used without authorization should contact the card issuer directly.

For additional information and updates, including a list of stores where tampered PIN pads were found, visit the Michaels website at www.Michaels.com. Customers may also call for 800-MICHAELS (642-4235) with questions.

About Michaels

Irving, Texas-based Michaels Stores, Inc. is North America's largest specialty retailer of arts, crafts, framing, floral, wall décor, and seasonal merchandise for the hobbyist and do-it-yourself home decorator. The company currently owns and operates more than 1,045 Michaels stores in 49 states and Canada, and over 140 Aaron Brothers stores, and produces ten exclusive private brands including Recollections®, Studio Decor™, Bead Landing®, Creatology®,

Ashland™, Celebrate It®, Art Minds®, Artist's Loft®, Craft Smart® and Loops & Threads™. For more information visit www.Michaels.com

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