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***Michaels Debuts on Interbrand list of Best U.S. Retail Brands
Global brand consultant report reinforces recent positive signs***

(IRVING, Texas) — Michaels, North America's largest arts & crafts specialty retailer, caps a month of positive news with recognition from global brand consultant Interbrand, which has just released its annual Best U.S. Retail Brands report.

The report, released on March 31, includes Michaels for the first time, with the Irving, Texas-based retailer debuting at #29. Also in March, Michaels reported a 14 percent increase in fourth-quarter profit as annual sales hit \$4 billion for the first time, with its 10 successful private label lines such as Celebrate It®, Creatology®, Bead Landing® and Recollections® accounting for over one-third of that total. Moody's raised Michaels' ratings outlook to positive from stable, citing the company's improving credit metrics and progress in debt reduction.

The Interbrand report noted that Michaels, the only specialty retailer in the arts & crafts category to make the list, differentiated itself from competitors with its effective use of online and Facebook presence to interact with customers.

"We have worked to make sure that we offer so much more than just arts & crafts products – we offer creative inspiration in stores and online through our classes, workshops, webisodes and project sheets," said Chief Marketing Officer Paula Puleo. "In 2008, we added our tagline 'where creativity happens', and everything we've done since has delivered on that promise."

To provide customers with excitement and creative inspiration, Michaels has been rolling out a new store design featuring fresh new products and an enhanced shopping experience. The company has also stepped up its schedule of in-store classes, workshops and product demonstrations to teach customers new ideas, techniques and products.

Michaels.com provides more inspiration with thousands of project ideas and instructions, as well as how-to webisodes from the company's creative expert Jo Pearson. Michaels' active Facebook community features photos of customer artwork and projects, with members interacting with each other to share their own experiences, ideas and tips.

The company continues expanding its reach with more than 35-40 new stores (including relocations) planned for 2011 in the U.S. and Canada this year.

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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