



May 2011

MICHAELS SHARES NEW INFORMATION IN PIN PAD TAMPERING INVESTIGATION

(IRVING, Texas) Michaels has completed its preliminary screening of PIN pads in all US Michaels Stores and confirms some PIN pads in selected stores have been tampered with in addition to the Chicago-area stores previously reported. Michaels has published a list of store locations where tampered PIN pads have been detected at <http://www.Michaels.com/ConsumerNotices>.

Michaels has identified less than 90 individual PIN pads (or approximately 1% of the total devices) in its 964 US stores that showed signs of tampering. Suspicious PIN pads were disabled and quarantined immediately. Out of an abundance of caution, Michaels has removed approximately 7,200 PIN pads comparable to the identified tampered PIN pads from its US stores.

The company has commenced replacing these PIN pads in all US stores and expects the replacement to be completed within the next 15 days. Until the new upgraded PIN pads are installed, customers may have their credit and signature debit transactions processed on the store register. As an additional precaution, Michaels is screening all PIN pads in Canadian stores.

Michaels is working 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 with their investigation.

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, 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

Media Contact: Kristen Kauffman
(817) 329-3257 Michaels@spmcommunications.com