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**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

**Michaels Stores, Inc. Announces Proposed Bond Offering**

IRVING, Texas – July 24, 2013 – Michaels Stores, Inc. (the “Company”) announced today that its indirect parent company, Michaels FinCo Holdings, LLC (“Michaels FinCo”) along with a co-issuer, Michaels FinCo, Inc., intends to issue \$700 million of senior PIK toggle notes (the “notes”) due 2018.

Michaels FinCo intends to use the net proceeds from this offering to distribute cash to its parent company to fund a cash dividend, distribution or other payment to its equity and equity-award holders, and to pay related fees and expenses. The consummation of the proposed notes offering is subject to market and other conditions.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the notes, nor shall there be any sale of the notes in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

The notes to be offered have not been, and will not be, registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933.

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. As of July 6, 2013, the Company owns and operates 1,117 Michaels stores in 49 states and Canada and 122 Aaron Brothers stores, and produces 11 exclusive private brands including Recollections®, Studio Decor®, Bead Landing®, Creatology®, Ashland®, Celebrate It®, Art Minds®, Artist’s Loft®, Craft Smart®, Loops & Threads® and Imagin8®. For more information visit [www.michaels.com](http://www.michaels.com) or [www.facebook.com/Michaels](http://www.facebook.com/Michaels) or follow Michaels on Twitter and Pinterest @MichaelsStores.

*This news release may contain forward-looking statements, including those relating to the proposed offering by Michaels FinCo and the proposed use of proceeds. Important factors that could cause actual results to differ materially from our expectations include, without limitation: the ability of Michaels FinCo to successfully complete the offering on terms and conditions satisfactory to us; capital market risks; and the impact of general economic or industry conditions. There can be no assurance that Michaels FinCo will be able to complete the proposed offering on the anticipated terms, or at all. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this news release. Other risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission. We intend these forward-looking statements to speak only as of the time of this release and do not undertake to update or revise them as more information becomes available.*