

Specialty Retailing

March Comp Preview and Overviews of Our Stocks

- **March comps for our group expected at down 4% to 5%, and hurt by an estimated 2 pts from the Easter shift. Might not be as good as February, but still better than the 6-8% comp declines of November through January.**
- **No change from the last few months: ARO, BKE and HOTT likely to be the only specialty retailers to post positive comps in the month.**
- **We are raising our March comp estimates for BKE, GPS, LTD and WTSLA. While lowering them for ANF, ARO, and HOTT.**
- **P IS FOR PARABOLIC.** Thanks to “less bad,” micro-cap specialty retailers had the best month in years, with ZLC up 412%, CHRS up 304%, TWB up 144%, ANN up 116%, NWY up 98% and CTRN up 97%.
- **L IS FOR LEAP YEAR SHIFT?** Deservedly, URBN was the biggest laggard in the rally – only up 10%. Other names that underperformed were PLCE (up 16%), ARO (up 18%), TJX (up 19%) and PSUN (up 20%) – all up less than our group’s 38% gain and couldn’t even keep up with S&P’s 23% gain.
- **S IS FOR SUPERMODELQUINS!!** Investors are abuzz that Old Navy finally might have found the bottom in March – breaking its nearly five-year comp losing streak. For every point of comp improvement at Old Navy compared to our down 14% estimate for the year, EPS should benefit by \$0.01 to \$0.02.
- **F IS FOR FRIENDS & FAMILY.** In addition to Gap, Banana, Old Navy and ARO pulling their F&F events into March this year, other retailers like LTD and ANF ran incremental promotions to try to smooth out the Easter shift.

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Table 1: J.P. Morgan March Same-Store Sales Estimates

	EOM vs. BOM Expectations	This Year			Last Year		
		JPM EOM Expectations	JPM BOM Expectations	Sell-Side Consensus	Mar 2008	April 2008	May 2008
Abercrombie & Fitch (ANF)	▼	(26.0) to (28.0)	(22.0) to (24.0)	(23.9)	(10.0)	6.0	(30.0)
Aeropostale (ARO)	▼	3.0 to 5.0	6.0 to 8.0	5.7	2.5	25.0	11.0
American Eagle Outfitters (AEO)	--	(10.0) to (12.0)	(10.0) to (12.0)	(10.4)	(12.0)	2.0	(7.0)
Buckle (BKE)	▲	14.0 to 16.0	12.0 to 14.0	12.7	20.9	34.0	21.0
Children's Place (PLCE)	--	0.0 to (2.0)	0.0 to (2.0)	(0.4)	(3.0)	15.0	0.0
Gap (GPS)	▲	(9.0) to (11.0)	(11.0) to (13.0)	(10.6)	(18.0)	(6.0)	(12.0)
Hot Topic (HOTT)	▼	5.0 to 7.0	6.0 to 8.0	3.7	(3.5)	(2.5)	10.8
Limited Brands (LTD)	▲	(9.0) to (11.0)	(10.0) to (12.0)	(11.8)	(8.0)	(5.0)	(7.0)
Ross Stores (ROST)	--	(2.0) to (4.0)	(2.0) to (4.0)	(4.4)	(2.0)	8.0	1.0
TJX (TJX)	--	(1.0) to (3.0)	(1.0) to (3.0)	(2.5)	0.0	8.0	0.0
Wet Seal (WTSLA)	▲	(7.0) to (9.0)	(10.0) to (12.0)	(11.5)	(10.8)	(1.9)	(6.6)
Co's. Reporting Qtrly Only		April '09E	April '08A.				
Ann Taylor (ANN)		(21.0) to (23.0)	(4.3)				
bebe (BEBE)		(21.0) to (23.0)	(7.6)				
Cache (CACH)		(17.0) to (19.0)	3.0				
Charlotte Russe (CHIC)		(6.0) to (8.0)	2.5				
Charming Shoppes (CHRS)		(12.0) to (14.0)	(13.0)				
Chico's (CHS)		(10.0) to (12.0)	(17.5)				
Christopher & Banks (CBK)		(18.0) to (20.0)	25.6				
Citi Trends, Inc. (CTRN)		4.0 to 6.0	0.3				
Coach, Inc. (COH) (U.S. only)		(11.0) to (13.0)	9.0				
Coldwater Creek (CWTR)		(18.0) to (20.0)	(19.0)				
Dress Barn (DBRN)		0.0 to (2.0)	(3.0)				
Gymboree (GYMB)		(17.0) to (19.0)	4.0				
J. Crew Group (JCG)		(14.0) to (16.0)	2.0				
Jos A. Bank (JOSB)		0.0 to 2.0	6.4				
Men's Wearhouse (MW) (U.S. only)		(6.0) to (8.0)	(8.5)				
Pacific Sunwear (PSUN)		(19.0) to (21.0)	(1.0)				
Talbots (TLB)		(19.0) to (21.0)	(9.8)				
Tiffany & Co. (TIF) (U.S. only)		(32.0) to (34.0)	1.0				
Tween Brands (TWB)		(10.0) to (12.0)	(1.0)				
Urban Outfitters (URBN)		(3.0) to (5.0)	10.0				
Ulta (ULTA)		(2.0) to (4.0)	3.9				
Zale Corp (ZLC)		(13.0) to (15.0)	5.8				

Source: Company reports and J.P. Morgan estimates.

March Comparable-Store Sales Outlook

Abercrombie & Fitch (ANF/Neutral): We expect March comps to be down 26% to down 28% compared to negative 10% last year and a negative 3% comp on a two-year basis. Comparisons are easier on a one-year basis but tougher on a two year, plus Easter shift likely cost the company 3-5 points of comps this month. On a two-year basis, the adult division is against positive 2% comps, Hollister: negative 8% comps and kids: negative 3% comps. Our estimates are based on comps down in the mid-20s at the adult A&F and down in the low 30s at Hollister and kids'. The core A&F division was mostly full price through the first three weeks of this month and then started a Spring Clearance event to coincide with spring breaks and upcoming Easter shopping. Hollister still had some clearance to work through, especially in bettys, and we are concerned how relevant is this brand for the young teen customer given ARO/AEO/PSUN trying to gain share by focusing more on value. The British Pound depreciated by 30% this month, similar to the last three months, although we think the ANF flagship in London continues to comp positively. Given the shock of negative 30% comps in February, we think the buy-side has adjusted its models to \$1.60-\$1.70 for this year, with the thesis that there should be expense opportunities for the company to focus on to minimize the gross margin pressure and payroll deleverage from negative 30% comps. The stock has lifted sharply off the recent lows. together with the group, and we think could have some downside if March comps fall more than 30%. We also believe that ANF could lose money in Q1 should April trends not improve significantly.

Aeropostale (ARO/Neutral): We expect March comps to be up 3% to 5% compared to a 2.5% comp last year and an 18.4% comp on a two-year basis. The company expects a high-single-digit shift from later Easter this month, a few points higher than most teen retailers. We think ARO still comped up double digits in the first two weeks (on top of relatively easy comparisons) as stores ran the top two for \$20 promotion. In week three ARO ran a friends & family event (30% off, 3/9-3/22) to help anniversary strong Easter business from last year when comps were up 30% that week. Comparisons were easy in the last two weeks of the month, but it doesn't sound like business returned to week-1 and -2 levels. ARO continues to run aggressive promotions around peak shopping events to gain share, although we think merchandise margins could still have some upside with planning and allocation improvements, lower sourcing and some room left with higher AUR strategy. We expect ARO to continue flexing SG&A this year to protect operating margins, although the investment in the new P.S. from Aeropostale business will be an offset. We are concerned this new concept targeting a 7- to 12-year-old kid could cannibalize some of ARO's younger customers. ARO has been the best-performing stock in our universe this year. We think the company will be one of the few retailers in our universe with up earnings this year, with a \$2.40-2.50 "dream" earnings scenario not out of the question.

American Eagle Outfitters (AEO/Neutral): We expect March comps to be down 10% to 12% compared to a negative 12% last year and a positive 8% on a two-year basis. Stores ran a BOGO tee for \$10 promo at the beginning of the month which we don't think was as effective a traffic driver as the denim under \$30 promo in February given still-mixed fashion content in tees. Starting week two stores ran a buy two dresses get 20% off entire purchase, although dresses were back to full price by week three. While dresses have been one of few bright spots in the assortment this spring, with positive comps in February, we think stores may be over-assorted in this category (40 styles vs. 6-8 last year) and think there could be markdown risk given the depth of the investment. Weeks three and four saw a BOGO 50% on all shorts.

We think investors are giving the company a “free pass” until 2H09, when Roger Markfield’s new product is at stores for back to school, and like many companies in our universe, AEO becomes more of a “4Q story,” as last year’s 1,400-bp hit to operating margins arguably can’t get much worse. The company managed expenses tightly in 2008, and better top line/merchandise margins will have to become a bigger part of the story. On estimated \$60 mm in sales, M+O lost \$0.21 last year (200-bp hit to operating margins) vs. plan of \$0.15. Sounds like if business doesn’t improve by 3Q09, AEO will pull the plug on this concept and investors are starting to see the EPS potential for AEO at over \$1 over the next few quarters.

Buckle (BKE/Neutral): We expect March comps to be up 14%-16% compared to 20.9% last year and 31.6% on a two-year basis. Sounds like Easter shift would likely have a minimal effect on BKE’s business. Stores were running a spring break event most of March with sweepstakes giveaways from a number of surf/skate brands such as Quiksilver, Billabong, Hurley as well as private label BKE. BKE continues to gain market share (likely from ANF/AEO as well as department stores and independent boutiques), and the core TX and MW markets remain strong with still some of the lowest unemployment levels in the country. Two- and three-year stack is getting tougher, but BKE’s business accelerated in February. We think women’s could still outperform in 1H09 as this category has momentum and comparisons are easier than men’s, although we are concerned about the men’s business slowing. The company ended last year with sales productivity at \$420/sq ft, and given BKE’s AUR (\$50) and the size of the box (4,500-5,000 sq ft), we think sales productivity could get to the \$500s over time. Investors are concerned about tough AUR comparisons, but we think the company may be one of the few retailers with pricing power this year as stores roll out incremental higher-ticket brands. Inventories are still well managed, up lsd per comp store with markdown inventories below last year’s levels – vs. 21% comps last month. The stock has outperformed the group and the market since reporting 4Q08 results (up 35% vs. SPX up 15%), although most investors continue to be nervous about sustainability of BKE’s 20% operating margins. Street is at \$2.46 for 2009 for BKE; we believe more realistic numbers are closer to \$2.80.

Children’s Place (PLCE/Neutral): We expect March comps to be flat to down 2% (down 4% to 6% excluding 2.5 points of currency impact and 2 points attributable to on-line sales) compared to a negative 3% last year and a positive 2% comp on a two-year basis. The company didn’t quantify the impact of later Easter on its 4Q08 call but talked about customers buying closer to need, which should pressure March results, although PLCE should get the 2-3 points back from stores being closed on Easter Sunday last year. Stores were running additional 30% off during the first half of the month, which was followed by 25% off the spring dressy assortment in week four. Inventories were high at the end of January and are being planned flat to up slightly for 1Q09, too high given the run rate on the business. PLCE’s 1H09 earnings are coming down given lower IMUs, forex (\$0.11 in 1Q and 2Q), and higher markdowns. The company expects to see some improvement in 2H09, with increasing IMUs and currency impact stabilizing, but PLCE will be lapping tougher comparisons as the company had strong back to school and holiday seasons last year. While we continue to think that the kids’ businesses should still be more resilient than most, \$1.60-\$1.80 is likely a realistic earnings scenario for 2009 (margins coming down to 5%-6% operating margins vs. 7.1% in 2008). Assuming this earnings scenario, we think the stock would be more attractive in the \$17-\$18 level. We are hosting investors at company headquarters on April 16th.

Gap (GPS/Neutral): We expect March comps to be down 9% to 11% compared to down 18% on a one-year and down 12% on a two-year basis. We note that all

divisions featured an incremental 30% off Friends and Family event on March 12-15 during the month.

- **Gap North America** faces a 14% comp decline (and a 10% decline on a two-year basis). Gap inventory levels remained relatively lean (down 6% psf at the end of the 4Q). We saw an uptick in promotional activity during the month as the company attempted to drive traffic to stores. We believe the 30% off Friends and Family event March 12-15 met with limited success as the store lacked novelty and newness. The company received initial summer flows during the week of the 22nd (week 4), one week later vs. last year. With an increased uptick in promotional activity over the past few months, we question how the division will be able to sustain its momentum as it begins to overlap two years of inventory declines and very tough margin comparisons in the 1H.
- **Old Navy** faces a 27% comp decline (and a 17% decline on a two-year basis). This division has been posting negative double-digit comp declines for about a year (except for August, when it featured a \$12 denim event, and November, when it shifted its FF event) as management believes its recent floor sets had too much emphasis on fashion and will likely take a couple months to clear the residual. However, it appears that customers are responding to the company's renewed focus on "Family, Fashion and Value" while rejiggering its pricing architecture to more appropriately match the current environment and the promotional cadence among competitors while introducing productivity-enhancing lines such as yoga. During the month, we believe the 30% off Friends and Family event was well received, and its aggressive TV marketing campaign helped to reinforce its value message to Mom. The new TV ad campaign titled "supermodelquins" is also supported by a website, www.oldnavyweekly.com, that features coupons on a regular basis (for example, it most recently offered the chance to receive different coupons weekly, including \$75 off \$100, \$50 off \$100, or \$10 off \$100 along with 30%, 20%, 15%, 10%, and 5% off that customers must search for on the site).
- **Banana Republic** faces an 8% comp decline last year and a flat on a two-year basis. BR has remained the most promotional division at Gap, Inc., as customers have not been responding to the merchandise assortment. While we suspect business picked up as a result of the incremental FF event, we believe the BR continues to struggle with declining traffic trends.

GPS management continues to reiterate its focus on gross profit dollars for 2009 (through markdown/inventory management) as the macro environment remains challenging and there are no signs that the merchandising strategies are yet delivering consistent results, especially at Old Navy and in light of the company's lack of guidance and very difficult margin comparisons through 2009. Longer term, the focus is on driving both operating margins and ROIC higher toward recent peaks (11-12% EBIT margins and 500bps on ROIC) through improving sales productivity (comps and store size rationalization) and smarter investment decisions on cap ex dollars. Ending the year with close to \$1.7bn in cash and no debt, along with its 8% FCF yield, makes GPS very popular with the long-only crowd as it is viewed more as a relatively safe haven.

Hot Topic (HOTT/Neutral): We expect March comps to be up 5% to 7% on top of negative 3.5% on a one-year basis and flat comps on a two-year basis. At Hot Topic, the music licensed business is lapping a negative 2% comp, accessories: flat comps, women's: a negative 1% comp and men's: a negative 8% comp. We think the much anticipated Twilight DVD release on March 21st gave the business a boost in the final weeks of the month, although comps have accelerated in the past two months with declining impact from Twilight. Other licenses include Watchmen, Superheroes, Dark Night, and Hello Kitty. Music comped positive for the first time in six months as this business appears to be reinvigorated with in-store music events, which we expect the company to continue running through the year in a bigger way. At Torrid, we expect positive lsd comps this March on top of negative 6.5% last year, and this division also seems to be moving in the right direction (positive msd comps in February). We think there should be an opportunity to lift gross margins at this division through better IMUs and lower markdowns as inventories are well controlled. Along with ARO, HOTT is one of few retailers gaining share (hsd growth in transactions in 4Q08) as the company converts new customers and grows share of the wallet of the existing customer base. Still, investors are fearful of top line-dependent stories, especially with drivers viewed as a fad such as Twilight. In addition, gross margins are arguably at peakish levels, and SG&A is expected to grow faster than sales in '09 (ShockHound investments and higher incentive comp).

Limited Brands, Inc. (LTD/Neutral): We expect March comps to be down 9% to 11% compared to an 8% decrease last year and a flat on a two-year basis. Management updated guidance is for negative low-double-digit comps for the month.

- **Victoria's Secret** faces a 6% comp decline (and a 2% on a two-year basis). During March, the company launched its new bra called The Perfect One – a seamless bra with strategically placed padding that conforms to the body and emphasizes comfort and fit. The beauty assortment saw two refreshes, including Dream Angels Heavenly Bloom fragrance and Naturally Victoria's Secret Body Care. PINK continued the focus on the Spring Break theme. We noticed incremental in-store promotions, including higher levels of two-for-\$49 activity, \$5 off for trying on The Perfect One, as well as bounceback coupons. Weeks three and four also saw the company running a clearance event with semiannual-like price points. Inventory levels continue to be down, although less significantly – total company inventories (VS, La Senza, and BBW) were down 8% per foot at the end of last month (but down ~35% on a two-year basis).
- **Bath & Body Works** faces an 11% comp decline (and a 2% on a two-year basis). During March, the company continued to focus on its recently relaunched Signature Collection line with its new packaging and fragrance assortment. Management indicated that initial reads are trending ahead of plan in this high-margin category. The company continued its unit-driving promotions, including 5 for \$15 on its antibac collection.

In addition to the overall lack of demand in the discretionary space, we believe that the competition has heated up, with specialty apparel retailers now increasing their penetration in the intimates and body care spaces. Although we received several key positive data points including **1)** an additional \$250 million in SGA reduction over the next couple of years, **2)** tighter capex budget (\$200 million vs. prior \$350 million guidance), **3)** continued inventory prudence, and **4)** relaxation of its financial covenants, it appears that expectations have quickly reverted from the negative to

positive despite the fact that over 100% of LTD's full-year profits are now likely to come in the Holiday quarter this year.

Ross Stores (ROST/Overweight): We expect ROST's March comps to be down 2% to 4% compared to a 2% decline last year and a 4% increase on a two-year basis. The company's guidance for 1Q09 is for comps down 1% to 3%. As we pointed out in our recently published off-price market share study, ROST is the #2 player in the space, controlling 22% of the \$29 billion market compared to TJX's Marmaxx division with 43% market share. Inventories continue to be in good shape, and we believe will be down double digits for most of the year. Historically, ROST's off-price business model is less volatile than full-price department stores' and specialty retailers' (only one negative annual comp in the past 13 years), and we expect only low-single-digit comp declines going forward vs. down mid-to-high single digits for the rest of the group. While deleverage on negative comps will potentially hamper the operating margin recovery story, we do not expect to see improving margins for anyone in our group. Furthermore, ROST should continue to repurchase stock given its strong FCF generation. As a result, we believe ROST deserves its premium multiple.

TJX Companies (TJX/Neutral): We expect TJX's March comps to be down 1% to 3% (excluding six and a half percentage points of negative currency impact as company is reporting comps in constant currency) compared to flat comps last year and a 6% increase on a two-year basis. We expect down 2% to 3% comps for Marmaxx. During March, the British pound averaged \$1.42 versus \$2.00 last year, down 29%, and the Canadian dollar averaged \$0.79 versus \$1.00 last year, down 20%. Canada and the UK each represent approximately 12-13% of total sales. According to management, a 1% impact to comps from currency is 2 pennies to EPS (versus 8 pennies if the 1% impact on comps came from other factors) By division:

- **Marmaxx** faces a 3% comp decline (2% increase on a two-year basis),
- **Winners/HS** faces a 1% comp increase (3% increase on a two-year basis),
- **HomeGoods** faces a 1% comp increase (6% increase on a two-year basis),
- **T.K. Maxx** faces a 3% comp increase (13% increase on a two-year basis),
- **A.J. Wright** faces a 1% comp decline (7% increase on a two-year basis).

Street EPS estimates have been falling for TJX and are now more appropriate given managements commentary on its conference call that flat comps for 2009 would lead to "flattish" EPS of \$1.92 and a down 2% comp would lead to EPS in the \$1.76-to-\$1.82 range. Even with SG&A levels so lean, it was impressive to hear the company talk about finding an additional \$150mm in 2009 to help offset its rising pension and healthcare expenses.

The Wet Seal, Inc. (WTSLA/Overweight): We expect March comps to be down 7% to down 9% vs. a negative 10.8% comp last year and flat comps on a two-year basis. We expect negative comps to be down 5% to 7% at Wet Seal (on top of negative 7.3% comps last year) and down 10% to 12% at Arden B (on top of negative 23% last year). Wet Seal stores were running a buy two get one for a penny sale in week three and BOGO half off the whole store starting week four to coincide with early spring breaks. We think the core Wet Seal with its focus on the core 14- to 17-year-old teen customer and value is still gaining share vs. CHIC skewing older and Forever 21 opening larger boxes. This division improved operating margins by close to 100 bps in 2008, and we think there are still sales productivity and margin opportunities left as the company focuses on key items (denim and tops outside of

graphic tees) and rolls out the new store prototype. At Arden B., trends appear to be stabilizing with improvement in regular-price business and gains in transactions across practically every product category now that price points have been brought down. The company is closing underperforming Arden B. stores as leases expire (8 stores in '08, we think 7-8 in '09), and it plans to convert a handful of Arden stores to the Wet Seal format this year. WTSLA reduced SG&A by \$20 mm in 2008 (on negative 8% comps), and the recently announced elimination of 41 positions (\$3 mm, or \$0.03) should help provide cushion to earnings next year. We think WTSLA could be one of few companies in retail with flat earnings in 2009.

Companies Recommended in This Report (all prices in this report as of market close on 06 April 2009)

Abercrombie & Fitch (ANF/\$26.01/Neutral), Aeropostale (ARO/\$27.06/Neutral), American Eagle Outfitters (AEO/\$12.71/Neutral), Hot Topic, Inc. (HOTT/\$11.89/Neutral), Limited Brands, Inc. (LTD/\$9.75/Neutral), Ross Stores (ROST/\$37.64/Overweight), The Buckle Inc. (BKE/\$33.00/Neutral), The Children's Place (PLCE/\$22.87/Neutral), The Gap, Inc. (GPS/\$14.46/Neutral), The Wet Seal, Inc (WTSLA/\$3.57/Overweight), TJX Companies (TJX/\$25.94/Neutral), Urban Outfitters (URBN/\$16.04/Neutral)

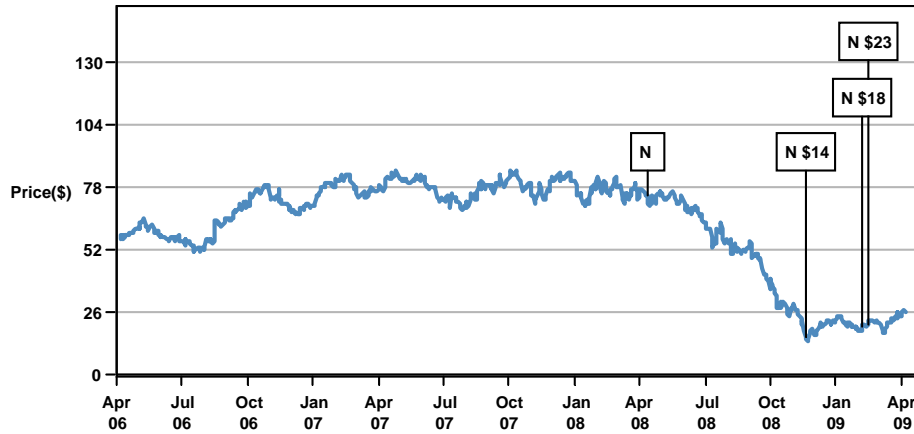
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- **Investment Banking (past 12 months):** JPMSI or its affiliates received in the past 12 months compensation for investment banking services from Abercrombie & Fitch, Limited Brands, Inc., The Children's Place, TJX Companies.
- **Investment Banking (next 3 months):** JPMSI or its affiliates expect to receive, or intend to seek, compensation for investment banking services in the next three months from Abercrombie & Fitch, Limited Brands, Inc., The Children's Place, The Gap, Inc., TJX Companies.
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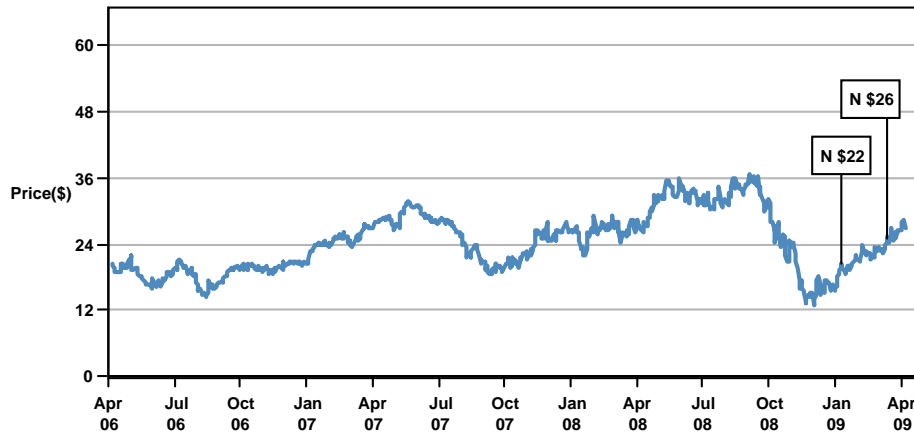
Abercrombie & Fitch (ANF) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
11-Apr-08	N	74.01	--
18-Nov-08	N	15.40	14.00
06-Feb-09	N	19.98	18.00
13-Feb-09	N	20.70	23.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Apr 21, 2002 - Sep 20, 2002. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Aeropostale (ARO) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
09-Jan-09	N	20.44	22.00
13-Mar-09	N	25.13	26.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

American Eagle Outfitters (AEO) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
09-Jan-09	N	10.58	9.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Apr 11, 2002 - Sep 20, 2002. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Hot Topic, Inc. (HOTT) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
11-Feb-09	N	9.50	10.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

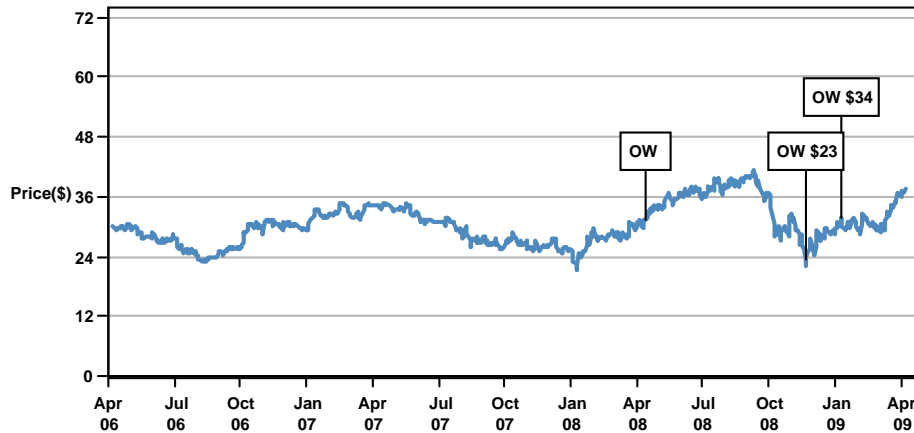
Limited Brands, Inc. (LTD) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
24-Nov-08	N	8.25	9.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Sep 19, 2002 - Jan 31, 2003. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

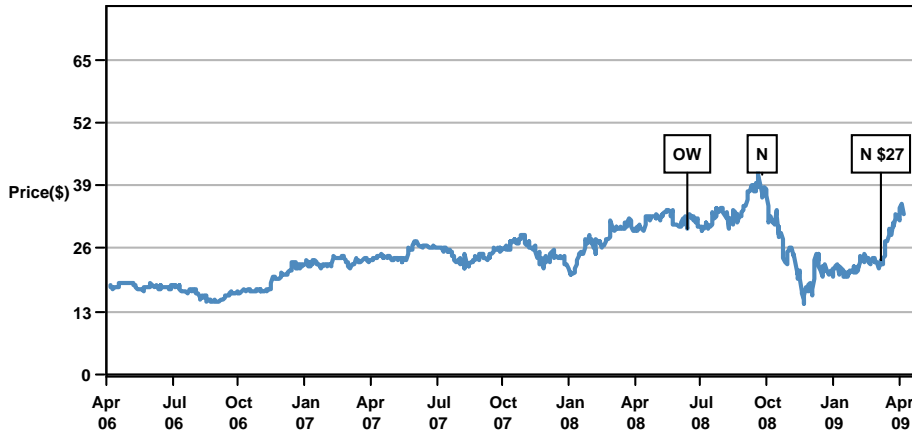
Ross Stores (ROST) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
11-Apr-08	OW	31.53	--
20-Nov-08	OW	23.50	23.00
09-Jan-09	OW	31.58	34.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

The Buckle Inc. (BKE) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
12-Jun-08	OW	30.09	-
22-Sep-08	N	41.03	-
06-Mar-09	N	23.78	27.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Initiated coverage Jun 12, 2008. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

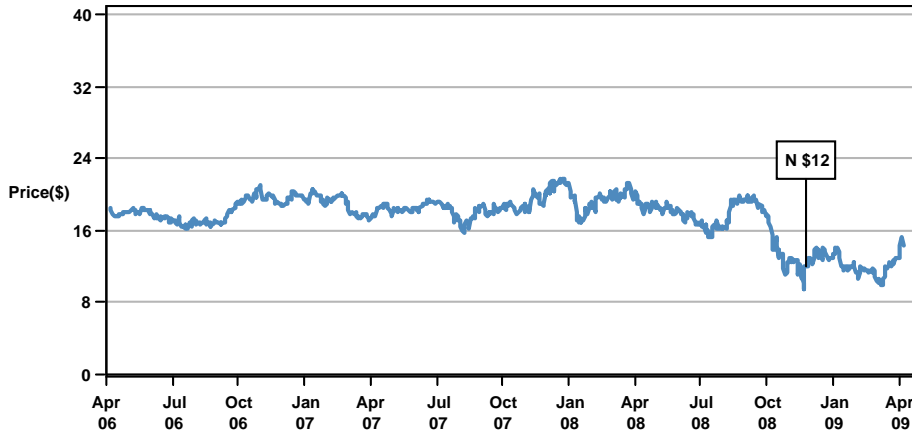
The Children's Place (PLCE) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
06-Feb-09	N	17.83	18.00
30-Mar-09	N	22.24	20.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Sep 12, 2002 - Sep 15, 2004. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

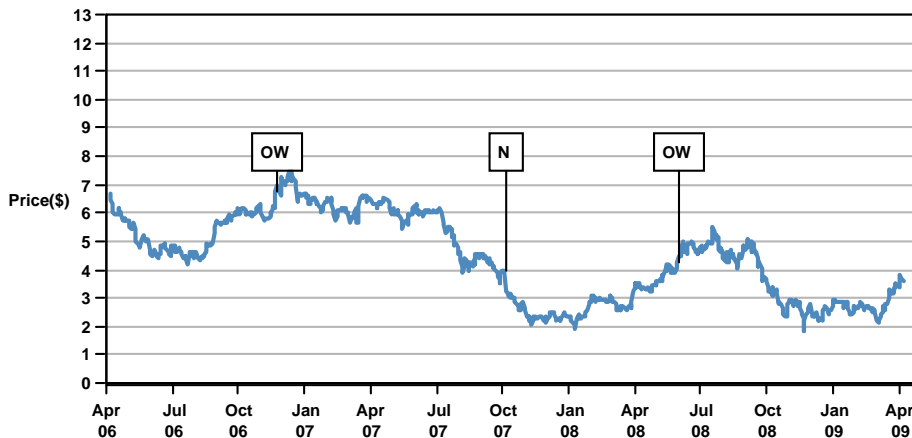
The Gap, Inc. (GPS) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
24-Nov-08	N	12.04	12.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Sep 19, 2002 - Jan 31, 2003. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

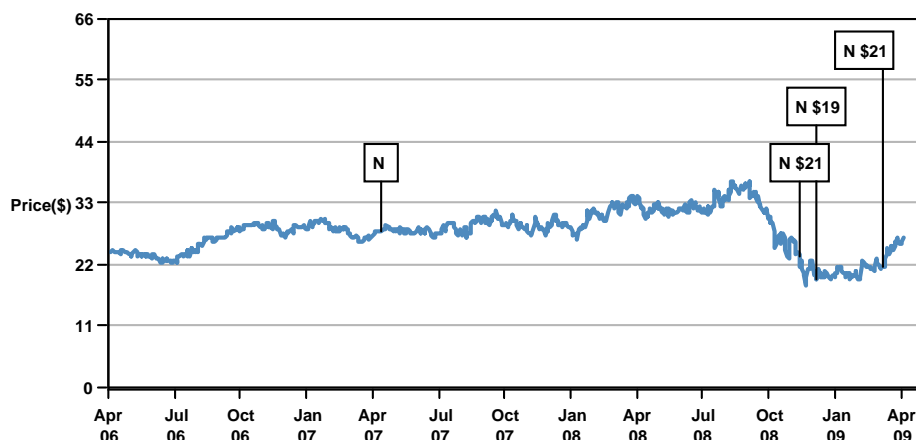
The Wet Seal, Inc (WTSLA) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
22-Nov-06	OW	6.77	--
04-Oct-07	N	3.99	--
30-May-08	OW	4.28	--

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

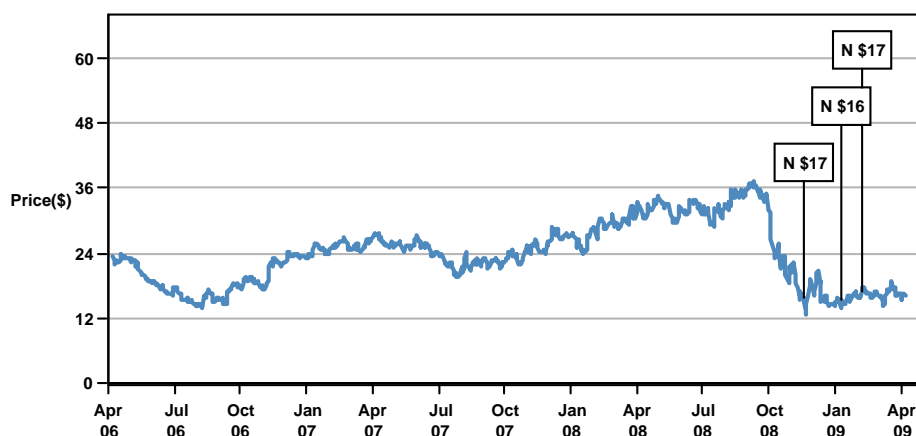
TJX Companies (TJX) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
13-Apr-07	N	27.88	--
12-Nov-08	N	23.45	21.00
05-Dec-08	N	19.29	19.00
06-Mar-09	N	21.51	21.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Urban Outfitters (URBN) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
18-Nov-08	N	15.71	17.00
09-Jan-09	N	15.46	16.00
06-Feb-09	N	16.84	17.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
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Coverage Universe: **Brian J. Tunick:** Abercrombie & Fitch (ANF), Aeropostale (ARO), American Eagle Outfitters (AEO), Ann Taylor Stores (ANN), Bebe Stores (BEBE), Chico's FAS, Inc. (CHS), Coach, Inc (COH), Hot Topic, Inc. (HOTT), J. Crew Group, Inc. (JCG), JoS. A. Bank Clothiers Inc (JOSB), Limited Brands, Inc. (LTD), Men's Wearhouse (MW), Pacific Sunwear of California, Inc. (PSUN), Ross Stores (ROST), TJX Companies (TJX), The Children's Place (PLCE), The Gap,

Inc. (GPS), The Gymboree Corporation (GYMB), The Talbots, Inc. (TLB), Tiffany & Co (TIF), Tween Brands Inc. (TWB), Ulta Salon, Cosmetics & Fragrance, Inc. (ULTA), Urban Outfitters (URBN), Zale Corporation (ZLC)

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IB clients*	54%	54%	42%
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IB clients*	75%	73%	57%

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