



Taking Stock With Teens

Results Presentation

Spring 2013

GUIDES FOR
THE JOURNEY.®

| PiperJaffray.®

Results Conference Call & Speaking Order

Conference Call Details

Tuesday, April 9 at 4:30pm ET

Dial-in Instructions: 888 228-9633 Conference ID: 27285236

Speaking Order

1) Steph Wissink

- Survey Details
- Spending Highlights

2) Erinn Murphy

- Brand Preferences
- Fashion Insights

3) Sean Naughton

- Athletic Brands and Headphones
- Healthy Lifestyle & Organic Foods

4) Nicole Miller Regan (Josh Long)

- Restaurants

5) Neely Tamminga (Alex Fuhrman)

- Beauty & Personal Care
- Digital Technologies In Retail

6) Gene Munster

- Digital Media – Apple and Facebook

7) Michael Olson (Andrew Connor)

- Online Movie Rentals
- Video Games

8) James Marsh

- Media & Entertainment

9) Chris Larsen

- Telecommunications

Investment Risks

Risks to achievement of investment objectives include, but are not limited to:

- Reliance on key top management
- Changing consumer preferences
- Changes in input costs and raw materials
- Markdown risks
- Product flow and inventory disruptions
- Competition
- Lack of pricing power
- Deleveraging of fixed expenses
- Foreign exchange rate risk
- General macroeconomic uncertainty

Survey Details

Brand Preferences

National survey of teens measures:

Spending Trends

Shopping Characteristics

25th Semi-Annual Proprietary Teen Research Project

Two Unique Surveys:

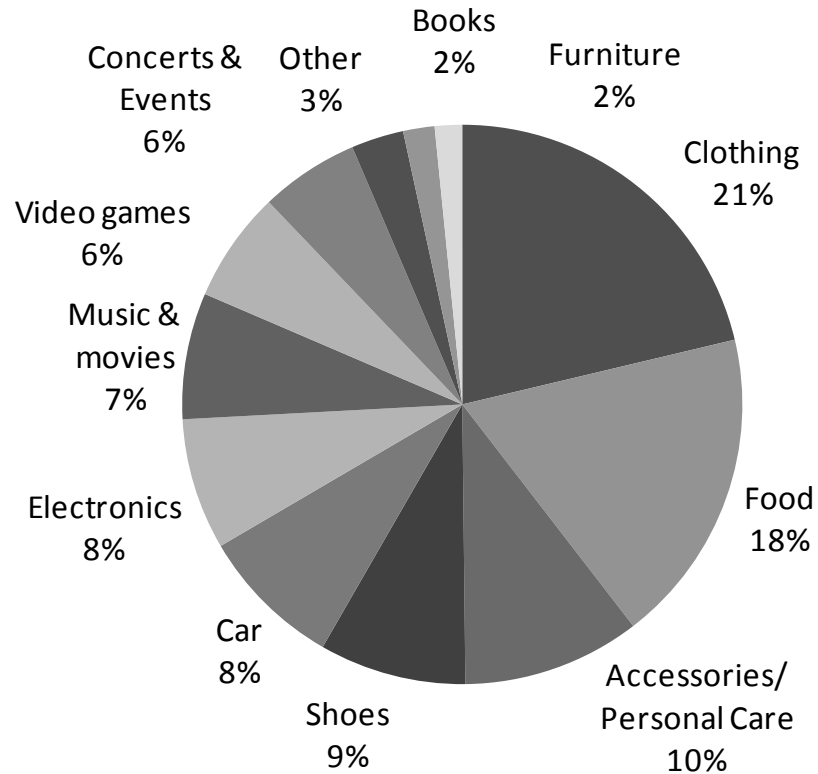
1) Upper-Income Student Survey

- Classroom visit & electronic surveys of 1,600 teens; average age 16.1 years
- HH Income of >\$84K represents top 25% of U.S. household units
- Average HH Income: \$104K

2) Average-Income Student Survey

- Classroom visit & electronic surveys of 3,600 teens; average age 16.5 years
- HH Income < \$84K aligns more closely with U.S. median
- Average HH Income: \$54K

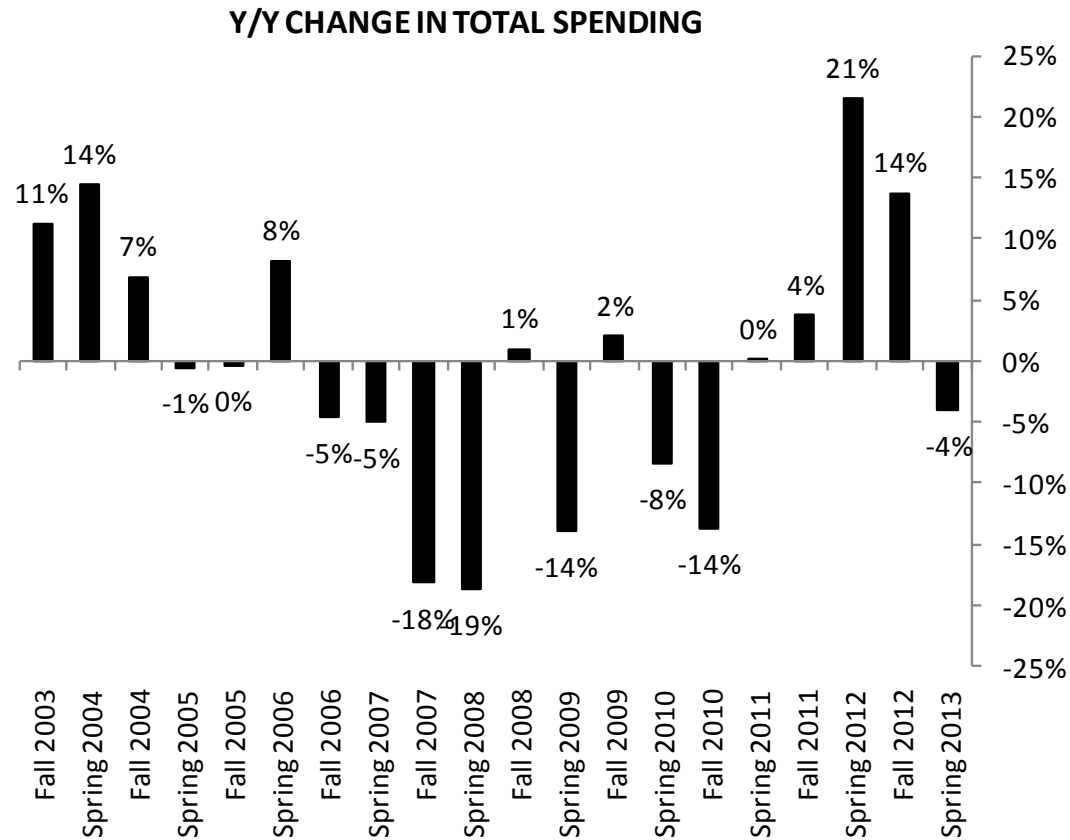
Teen Spending By Category



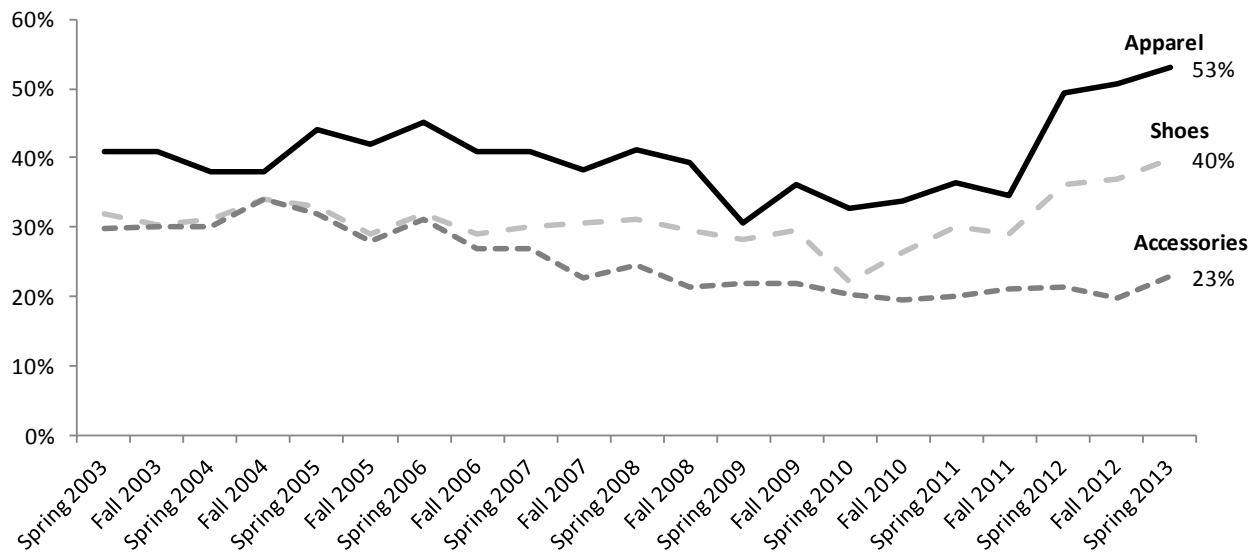
Spending Behavior Highlights

- Fashion Spending Has Paused Against A Challenging Seasonal and Cycle Backdrop
- Intent To Spend Remains Encouraging; With Trend Catalyst, Spending Could Improve
- Parents Are Contributing Less To Teen Spending
- Channel Shift Continues Toward Internet and Outlet From Specialty Stores

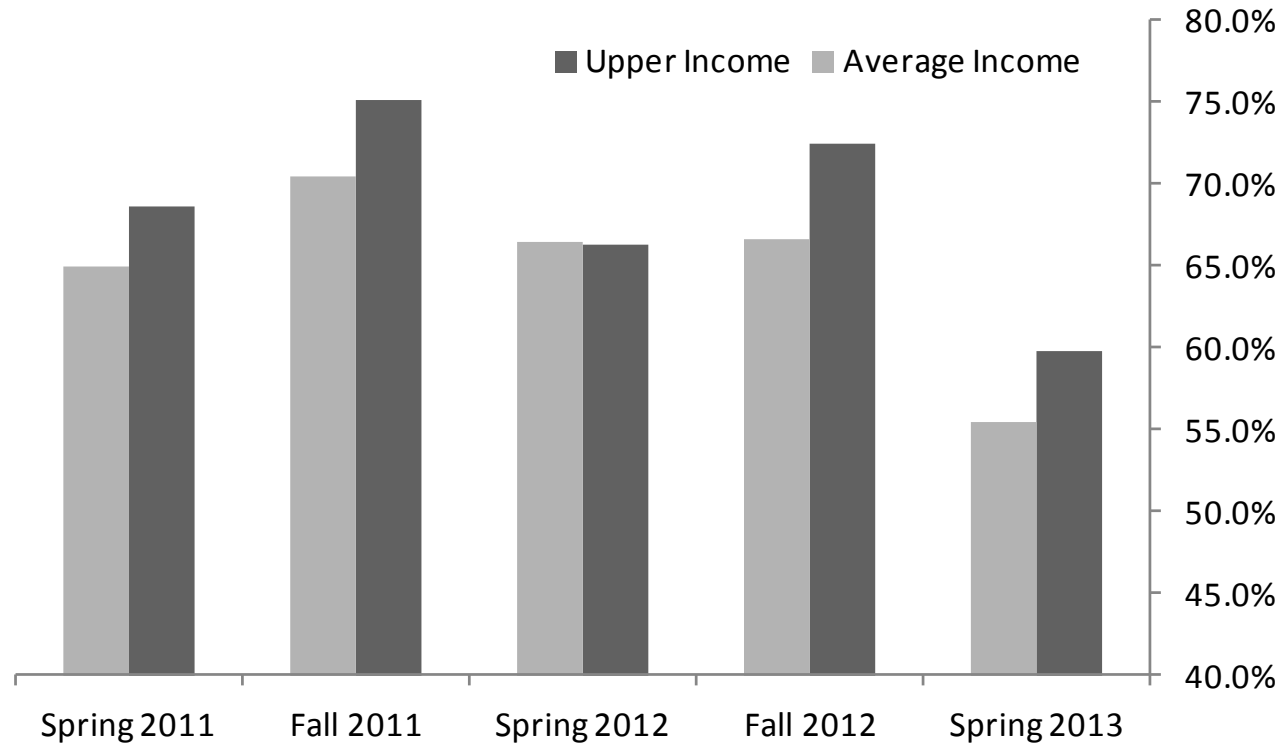
Teens Spending Less On Fashion



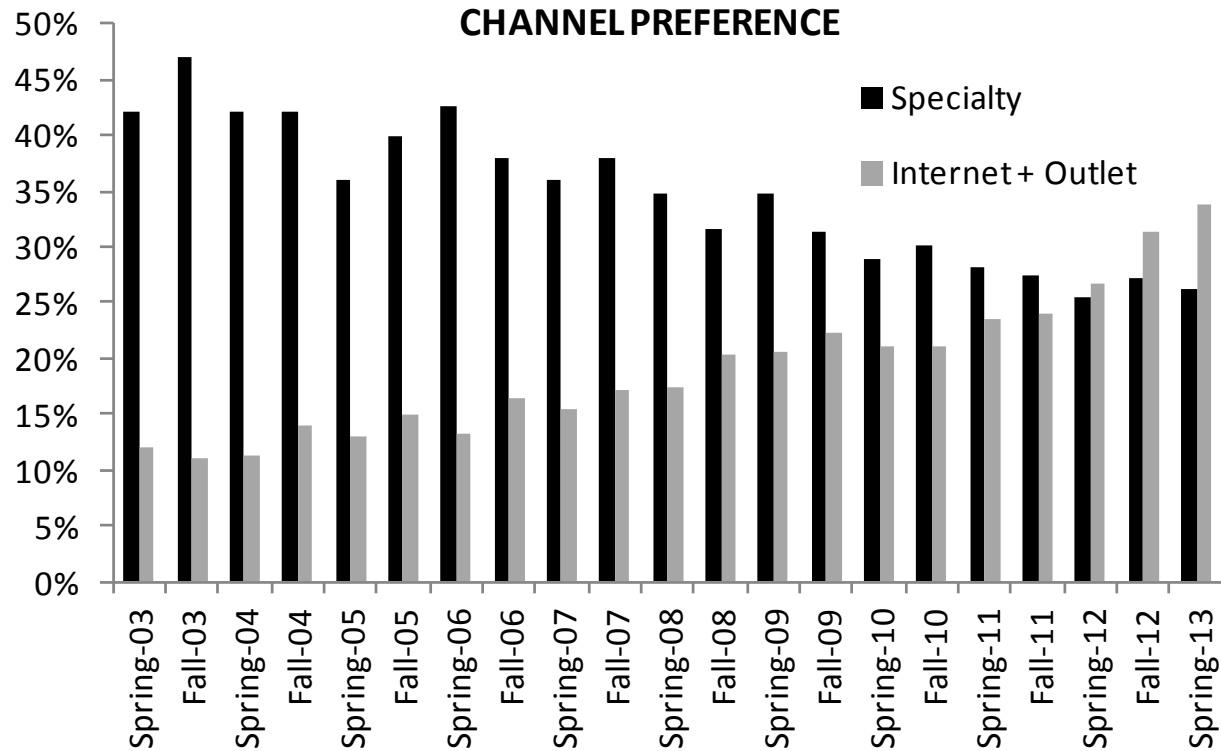
Teens Indicate Intent To Spend “More” On Fashion



Parent Contribution To Teen Spending Retracts



Internet and Outlet Outpace Specialty As Preferred Shopping Channel



Top 5 Clothing Brands – History

TOP CLOTHING BRAND PREFERENCES (UPPER-INCOME TEEN SURVEY)

	No. 1	No. 2	No. 3	No. 4	No. 5
Spring 2013	Nike	Action Sports Brands	American Eagle	Forever 21	Polo Ralph Lauren
Fall 2012	Nike	Forever 21	Polo Ralph Lauren	Action Sports Brands	American Eagle
Spring 2012	Nike	Forever 21	Action Sports Brands	American Eagle	Polo Ralph Lauren
Fall 2011	Nike	Forever 21	Action Sports Brands	American Eagle	Polo Ralph Lauren
Spring 2011	Nike	Forever 21	American Eagle	Action Sports Brands	Polo Ralph Lauren
Fall 2010	Action Sports Brands	Nike	American Eagle	Forever 21	Hollister
Spring 2010	Action Sports Brands	Forever 21	Nike	Hollister	American Eagle
Fall 2009	Action Sports Brands	Forever 21	Hollister	Nike	American Eagle
Spring 2009	Action Sports Brands	Hollister	Nike	Forever 21	American Eagle
Fall 2008	Action Sports Brands	Hollister	Forever 21	American Eagle	A&F
Spring 2008	Hollister	Action Sports Brands	American Eagle	A&F	Forever 21
Fall 2007	Hollister	Action Sports Brands	American Eagle	A&F	Forever 21
Spring 2007	Hollister	American Eagle	Action Sports Brands	A&F	Forever 21
Fall 2006	Hollister	Action Sports Brands	A&F	American Eagle	Urban Outfitters

TOP CLOTHING BRAND PREFERENCES (AVERAGE-INCOME TEEN SURVEY)

	No. 1	No. 2	No. 3	No. 4	No. 5
Spring 2013	Nike	American Eagle	Forever 21	Action Sports Brands	Hollister
Fall 2012	Nike	Forever 21	American Eagle	Action Sports Brands	Hollister
Spring 2012	Forever 21	Nike	Action Sports Brands	American Eagle	Hollister
Fall 2011	Nike	American Eagle	Forever 21	Hollister	Action Sports Brands
Spring 2011	American Eagle	Nike	Forever 21	Action Sports Brands	Hollister
Fall 2010	American Eagle	Hollister	Nike	Action Sports Brands	Aeropostale
Spring 2010	American Eagle	Nike	Action Sports Brands	Hollister	Forever 21
Fall 2009	Action Sports Brands	American Eagle	Nike	Hollister	Forever 21
Spring 2009	American Eagle	Action Sports Brands	Hollister	Nike	Forever 21
Fall 2008	American Eagle	Action Sports Brands	Hollister	Nike	Aeropostale
Spring 2008	American Eagle	Action Sports Brands	Hollister	Nike	A&F
Fall 2007	American Eagle	Hollister	Action Sports Brands	Nike	A&F
Spring 2007	American Eagle	Hollister	Action Sports Brands	A&F	Nike
Fall 2006	American Eagle	Action Sports Brands	Hollister	A&F	Aeropostale

Top 5 Footwear Brands – History

TOP FOOTWEAR BRAND PREFERENCES (UPPER-INCOME TEEN SURVEY)

	No. 1	No. 2	No. 3	No. 4	No. 5
Spring 2013	Nike	Vans	Steve Madden	Sperry Top-Sider	UGG Australia
Fall 2012	Nike	Vans	Sperry Top-Sider	Steve Madden	UGG Australia
Spring 2012	Nike	Vans	Converse	Steve Madden	DSW
Fall 2011	Nike	Vans	Steve Madden	DSW	Converse
Spring 2011	Nike	Vans	UGG Australia	Steve Madden	DSW
Fall 2010	Nike	Vans	Steve Madden	Converse	DSW/UGG Australia
Spring 2010	Nike	Vans	UGG Australia	Converse	Steve Madden
Fall 2009	Nike	Vans	Steve Madden	UGG Australia	Converse
Spring 2009	Nike	UGG Australia	Vans	Puma	Steve Madden
Fall 2008	Nike	Vans	Steve Madden	Converse	Adidas
Spring 2008	Nike	UGG Australia	Steve Madden	Adidas	Puma
Fall 2007	Nike	Steve Madden	Adidas	Puma	Vans
Spring 2007	Nike	Steve Madden	Puma	Adidas	DSW
Fall 2006	Nike	Steve Madden	Adidas	Puma	Vans

TOP FOOTWEAR BRAND PREFERENCES (AVERAGE-INCOME TEEN SURVEY)

	No. 1	No. 2	No. 3	No. 4	No. 5
Spring 2013	Nike	Vans	Converse	TOMS	Sperry Top-Sider
Fall 2012	Nike	Vans	Sperry Top-Sider	Converse	Adidas
Spring 2012	Nike	Vans	Converse	TOMS	Sperry Top-Sider
Fall 2011	Nike	Vans	Converse	Sperry Top-Sider	Journeys
Spring 2011	Nike	Vans	Converse	Sperry Top-Sider	UGG Australia
Fall 2010	Nike	Vans	Converse	Adidas	Journeys
Spring 2010	Nike	Vans	Converse	Puma	UGG Australia
Fall 2009	Nike	Converse	Vans	Adidas	Puma
Spring 2009	Nike	Vans	Converse	Adidas	DC Shoes
Fall 2008	Nike	Vans	Adidas	Converse	Puma
Spring 2008	Nike	Vans	Adidas	Converse	Puma
Fall 2007	Nike	Adidas	Puma	Vans	Converse
Spring 2007	Nike	Adidas	Puma	Vans	Converse
Fall 2006	Nike	Adidas	Vans	Puma	Converse/New Balance

Top Handbag Brands – History

Upper-Income Teens

Spring 2013			Fall 2012			Spring 2012		
Rank	Brand	% Total	Rank	Brand	% Total	Rank	Brand	% Total
1	Coach	30%	1	Coach	36%	1	Coach	38%
2	Michael Kors	18%	2	Michael Kors	9%	2	Juicy Couture	7%
3	Louis Vuitton	7%	3	Vera Bradley	7%		Michael Kors	7%
4	Vera Bradley	6%	4	Louis Vuitton	7%	4	Louis Vuitton	5%
5	Longchamp	4%	5	Tory Burch	4%	5	Fossil	4%
6	Juicy Couture	3%	6	Fossil	4%		Vera Bradley	4%
	Tory Burch	3%	7	Juicy Couture	4%	7	Chanel	3%
	Kate Spade	3%	8	Longchamp	2%		Gucci	3%
9	Chanel	3%	9	Kate Spade	2%	9	Guess	2%
10	Gucci	2%	10	Gucci	2%		Target	2%
				Marc Jacobs	2%			

Average-Income Teens

Spring 2013			Fall 2012			Spring 2012		
Rank	Brand	% Total	Rank	Brand	% Total	Rank	Brand	% Total
1	Coach	39%	1	Coach	43%	1	Coach	46%
2	Michael Kors	14%	2	Vera Bradley	6%	2	Vera Bradley	6%
3	Louis Vuitton	5%	3	Gucci	5%	3	Gucci	5%
4	Gucci	5%	4	Michael Kors	5%	4	Juicy Couture	5%
5	Vera Bradley	4%	5	Louis Vuitton	5%	5	Louis Vuitton	4%
6	Fossil	3%	6	Fossil	3%	6	Michael Kors	4%
7	Juicy Couture	2%	7	Juicy Couture	3%	7	Fossil	3%
8	Betsey Johnson	2%	8	Chanel	2%	8	Chanel	2%
9	Chanel	2%	9	Guess	2%	9	Guess	2%
10	Dooney & Bourke	2%	10	Betsey Johnson	1%	10	Betsey Johnson	1%
				Kathy Van Zeeland	1%			

Teens Talk Fashion

Down-trending Brands

She Says:

Spring 2013			Fall 2012		
Rank	Brand No Longer Worn	% Total	Rank	Brand No Longer Worn	% Total
1	Aeropostale	33%	1	Abercrombie & Fitch	35%
2	Hollister	17%	2	Hollister	15%
3	Abercrombie & Fitch	10%	3	Aeropostale	12%
4	Justice/Limited Too	5%	4	Justice/Limited Too	6%
5	Gap	4%	5	Gap	3%
6	American Eagle	2%	6	American Eagle	3%
7	Baby Phat	2%	7	Forever 21	1%
8	Old Navy	1%	8	Uggs	1%
9	Forever 21	1%	9	Juicy Couture	1%
10	<i>Six Brands Tied for 10th</i>	1%	10	<i>Three Brands Tied for 10th</i>	1%

He Says:

Spring 2013			Fall 2012		
Rank	Brand No Longer Worn	% Total	Rank	Brand No Longer Worn	% Total
1	Hollister	12%	1	Gap	11%
2	Aeropostale	8%	2	Abercrombie & Fitch	10%
3	Gap	7%	3	Hollister	8%
4	Adidas	6%	4	American Eagle	5%
5	American Eagle	5%	5	Adidas	5%
6	Abercrombie & Fitch	4%	6	Nike/Jordans	3%
7	Under Armour	3%		Volcom	3%
	DC	3%	8	Aeropostale	3%
9	Reebok	2%		DC	3%
	Southpole	2%		Quiksilver	3%

Teens Talk Fashion

Up-trending Brands

She Says:

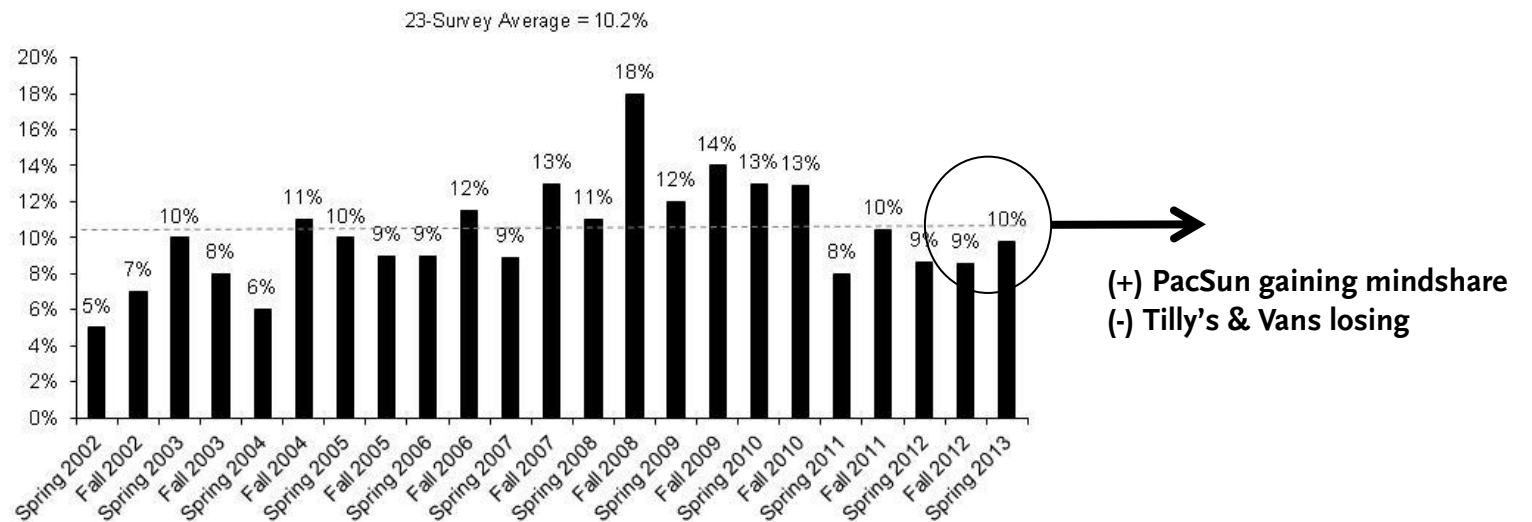
Spring 2013			Fall 2012		
Rank	New Brand Starting To Wear	% Total	Rank	New Brand Starting To Wear	% Total
1	Forever 21	12%	1	Forever 21	12%
2	H&M	5%	2	Urban Outfitters	7%
3	American Eagle	5%	3	American Eagle	6%
	Hollister	5%	4	Victoria's Secret/PINK	4%
5	Victoria's Secret/PINK	4%	5	H&M	4%
6	PacSun	4%	6	PacSun	3%
7	lululemon	3%	7	Miss Me	3%
8	Urban Outfitters	2%	8	Free People	3%
9	Charlotte Russe	2%	9	Abercrombie & Fitch	3%
10	Four Brands Tied for 10th	2%	10	Nike/Jordans	2%

He Says:

Spring 2013			Fall 2012		
Rank	New Brand Starting To Wear	% Total	Rank	New Brand Starting To Wear	% Total
1	Nike/Jordans	16%	1	Nike/Jordans	16%
2	Polo Ralph Lauren	9%	2	Polo Ralph Lauren	15%
3	Under Armour	4%	3	American Eagle	4%
4	American Eagle	3%	4	Vans	4%
	Adidas	3%	5	Adidas	3%
6	Diamond Supply Co.	3%	6	Diamond Supply Co.	3%
7	Hollister	2%	7	H&M	2%
	Vans	2%	8	Sperry's	2%
9	Express	2%	9	Abercrombie & Fitch	2%
	H&M	2%	10	Hollister	1%

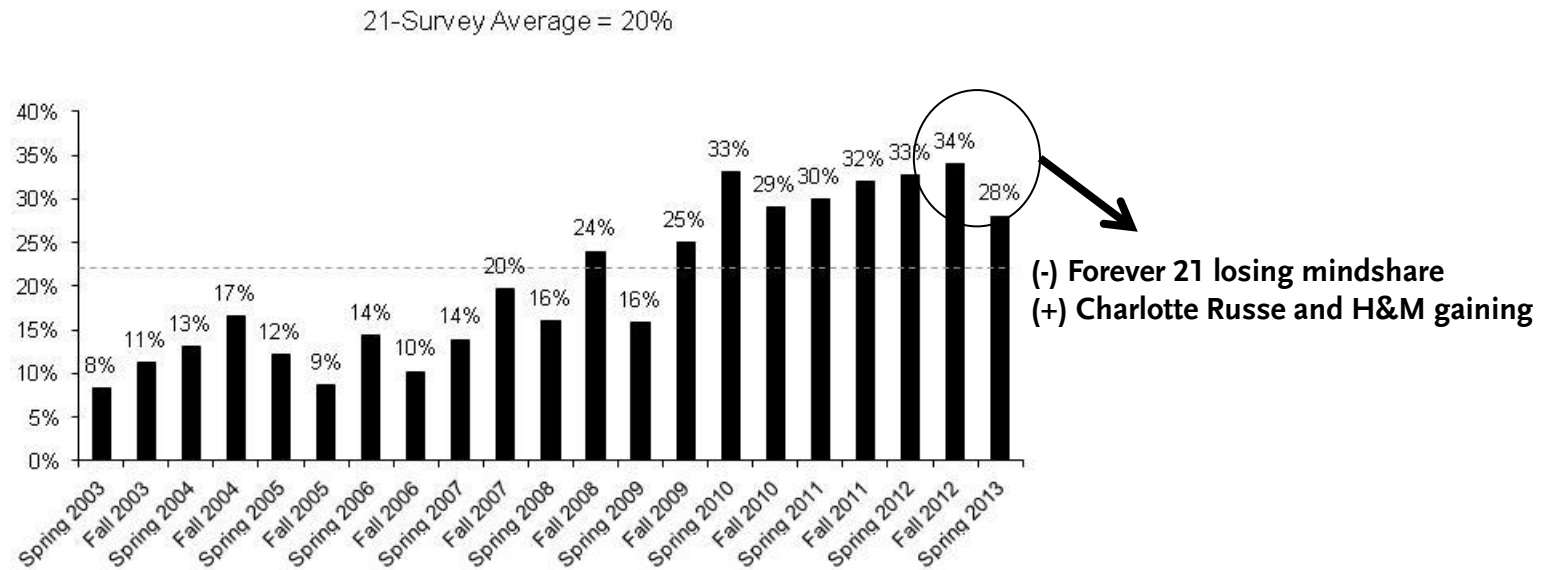
Fashion Trend Insights – Action Sports

Upper-Income Teens



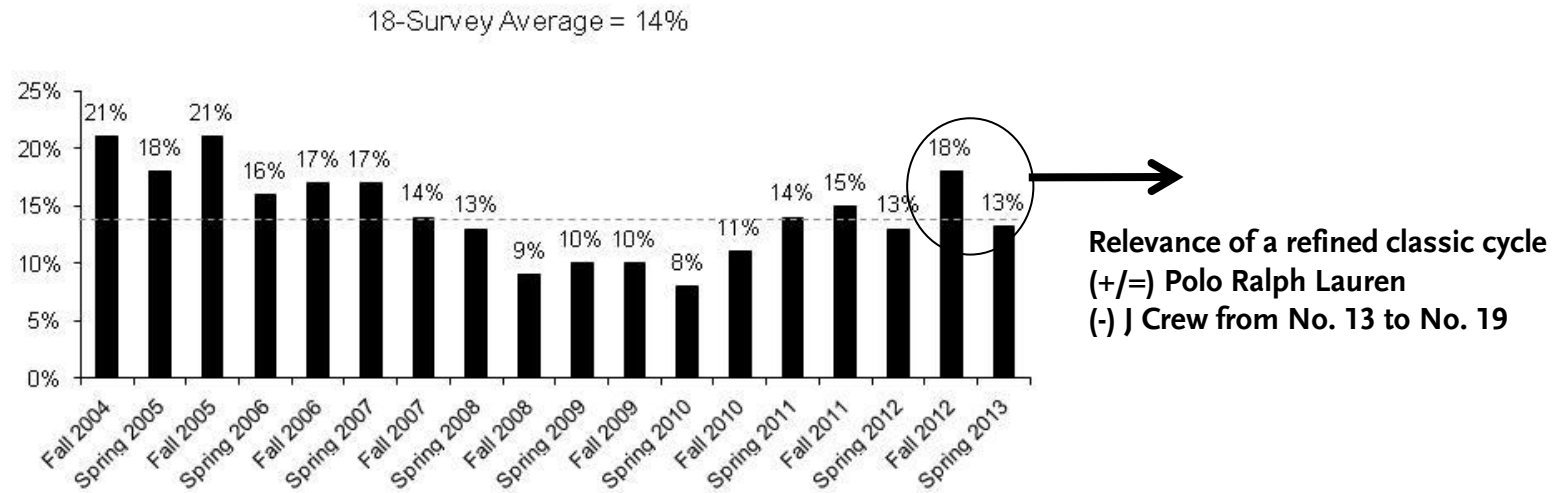
Fashion Trend Insights – Fast Fashion

Upper-Income Teens



Fashion Trend Insights – Refined Classic

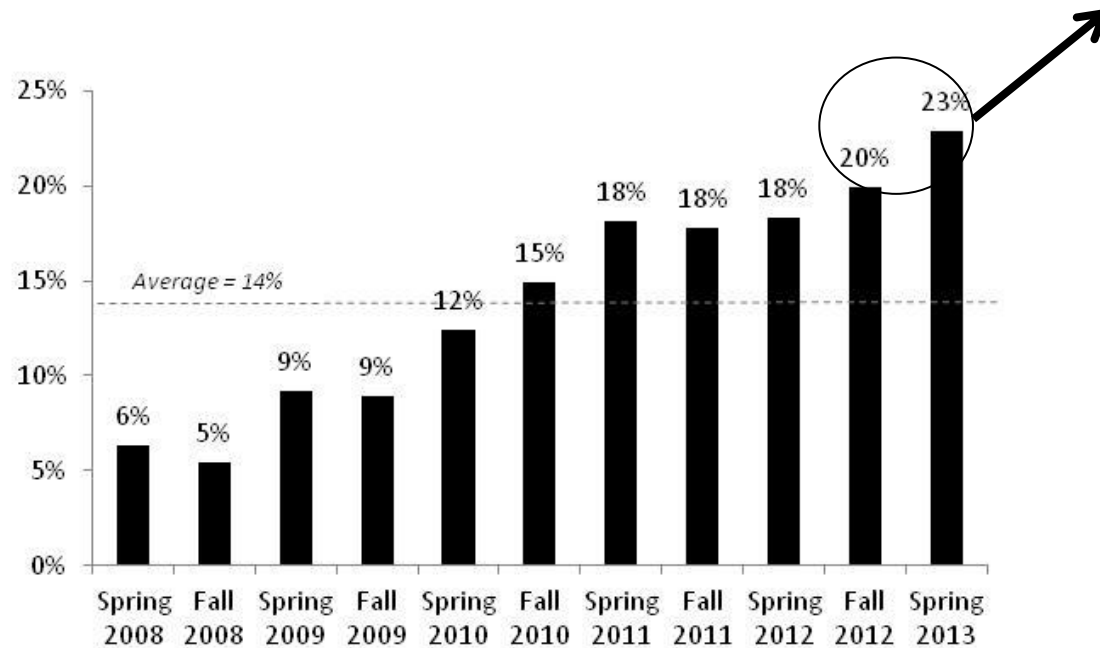
Upper-Income Teens



Fashion Trend Insights – Fashion Athletic

Upper-Income Teens

(+) Significant gains from fashion athletic brands



Teens Talk Fashion

Most Popular Fashion Trend In School Right Now

Spring 2013			Fall 2012		
Rank	Most Popular Fashion Trend	% Total	Rank	Most Popular Fashion Trend	% Total
1	Nike / Jordans	11%	1	Color Apparel	8%
2	Yoga Pants / lululemon	10%	2	Nike / Jordans	8%
3	Leggings	6%	3	Yoga Pants / lululemon	6%
4	Boots	5%	4	Polo Ralph Lauren	5%
5	Color Apparel	3%	5	Boat Shoes	4%
	Polo Ralph Lauren	3%	6	High-Waisted Pants/Skirts	4%
7	Jeans / Skinny Jeans	3%	7	Snapback Hats	3%
8	Diamond Supply Co.	2%	8	Vans	3%
9	Boat Shoes	2%	9	Knee High Socks	3%
10	Athletic Wear	2%	10	Sheer Tops	2%
Spring 2012			Fall 2011		
Rank	Most Popular Fashion Trend	% Total	Rank	Most Popular Fashion Trend	% Total
1	Yoga Pants	8%	1	Nike / Jordans	7%
2	Nike	6%	2	Feathers In Hair	6%
	TOMS Shoes	6%	3	Yoga Pants / lululemon	5%
4	Jeans / Skinny Jeans	5%	4	TOMS Shoes	5%
5	Leggings / Jeggings	4%	5	Jeans / Skinny Jeans	5%
6	Vans	4%	6	Boat Shoes	4%
7	Uggs	4%	7	Snapback Hats	4%
8	Snapback Hats	4%	8	Vans	3%
9	Boat Shoes	3%	9	High-Waisted Pants/Skirts	3%
10	Scarves	2%	10	Uggs	2%

Athletic Apparel Brands (Female)

PREFERRED ATHLETIC CLOTHING BRAND - UPPER-INCOME TEEN SURVEY - FEMALE

Spring 2013			Fall 2012			Spring 2012		
Rank	Brand	% Total	Rank	Brand	% Total	Rank	Brand	% Total
1	Nike	67%	1	Nike	67%	1	Nike	61%
2	Under Armour	12%	2	Under Armour	12%	2	Under Armour	16%
3	Lululemon	7%	3	Adidas	5%	3	Adidas	7%
4	Adidas	3%	4	Lululemon	3%	4	Lululemon	3%
5	The North Face	1%	5	The North Face	1%		The North Face	3%

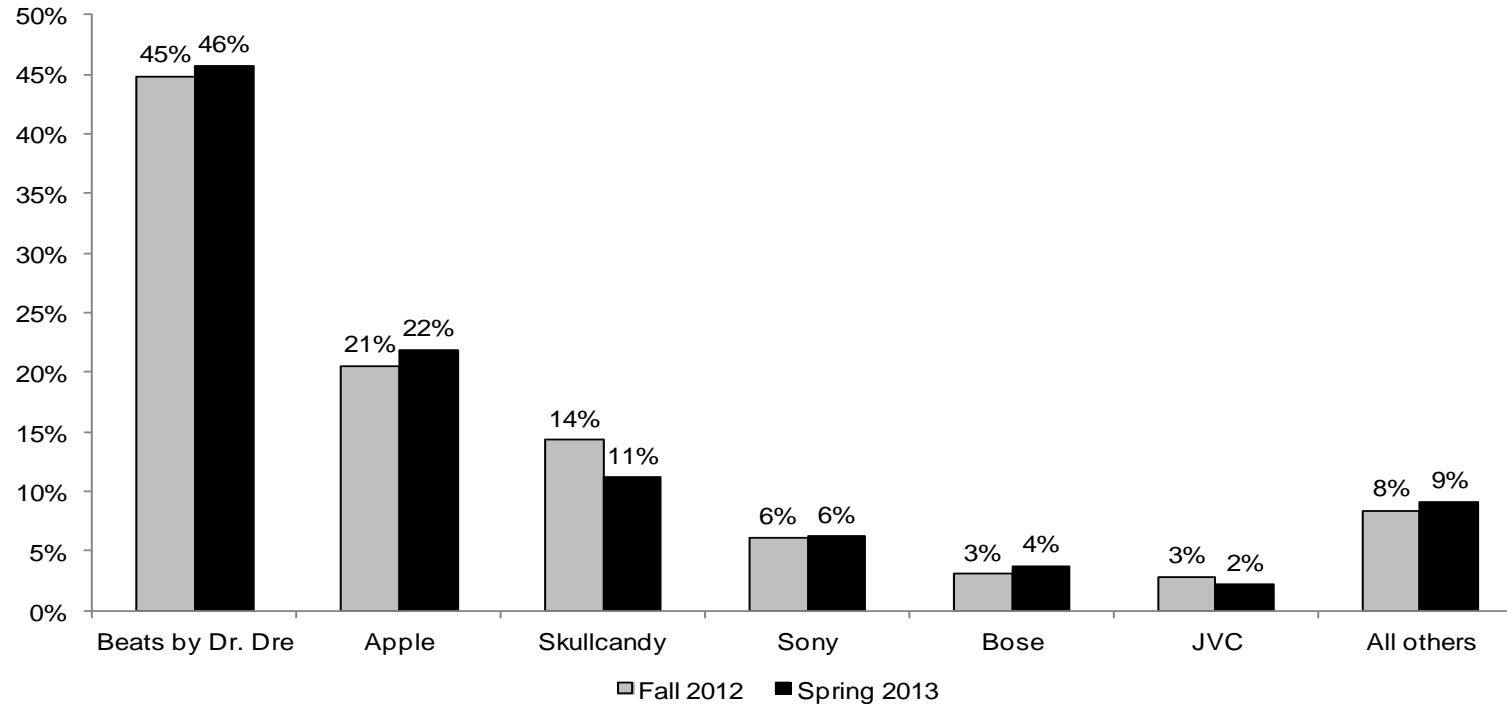
PREFERRED ATHLETIC CLOTHING BRAND - AVERAGE-INCOME TEEN SURVEY - FEMALE

Spring 2013			Fall 2012			Spring 2012		
Rank	Brand	% Total	Rank	Brand	% Total	Rank	Brand	% Total
1	Nike	63%	1	Nike	64%	1	Nike	59%
2	Under Armour	15%	2	Under Armour	15%	2	Under Armour	17%
3	Adidas	5%	3	Adidas	4%	3	Adidas	5%
4	Lululemon	1%	4	The North Face	1%	4	The North Face	3%
	The North Face	1%	5	Soffe	1%	5	Jordan	1%

- Lululemon moves from 3% to 7% mindshare with upper-income females
- Lululemon shows up for first time in top 5 of average-income females as well

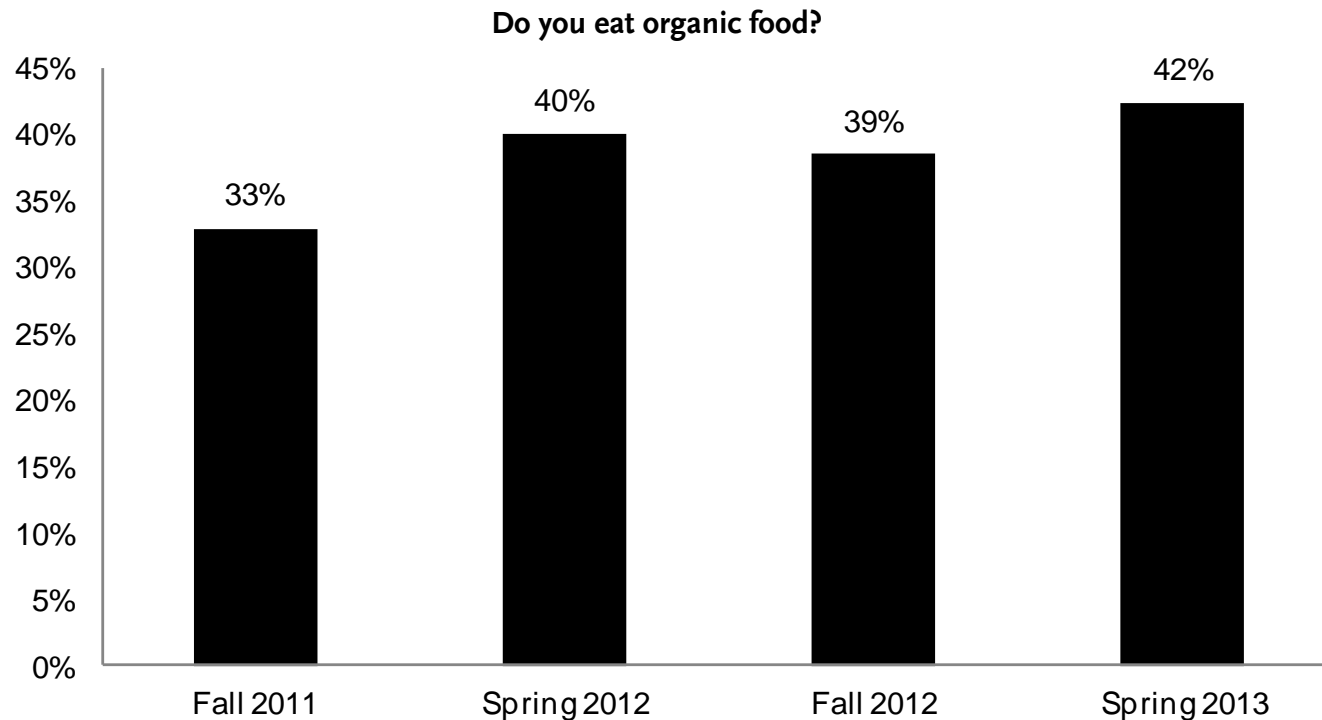
Headphones

HEADPHONE BRAND PLANNING TO PURCHASE NEXT



- When asked which brand of headphones teens plan to purchase next, Beats by Dr. Dre receives 46% of responses, Apple receives 22% and Skullcandy receives 11% (down 300bp)

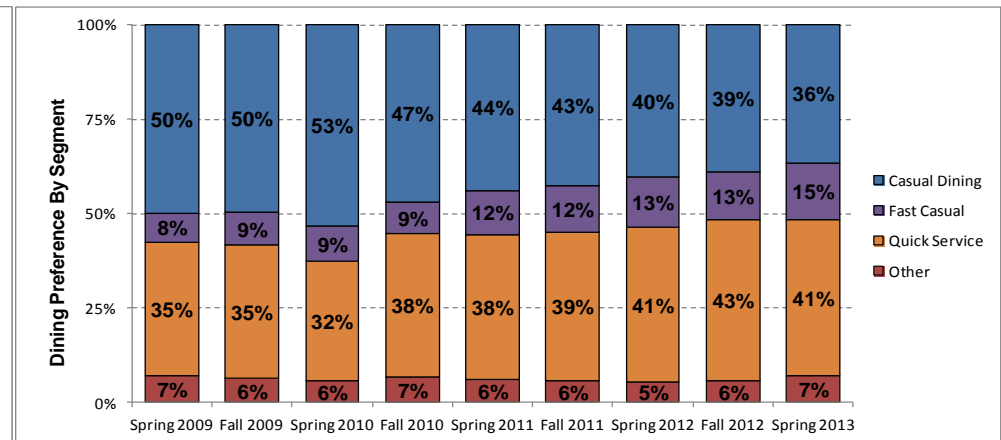
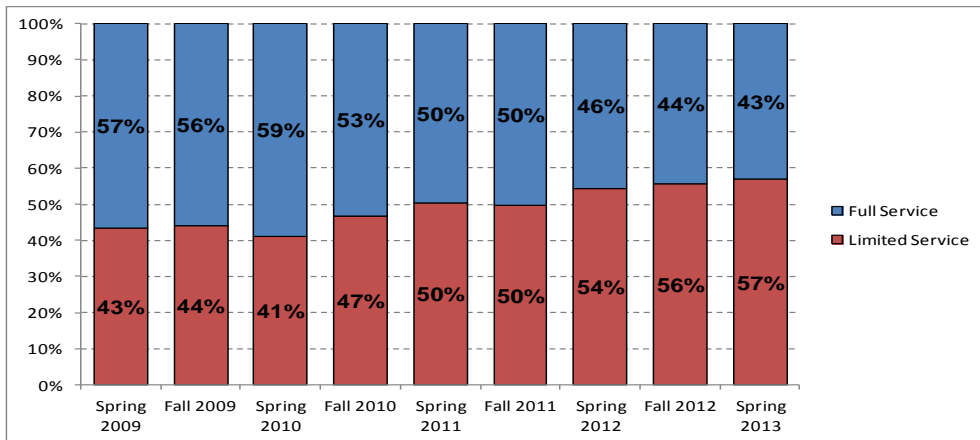
Next Generation Eating Organic



- Number of teens eating organic food is increasing; Important to understand the preferences of next generation grocery shoppers (food at home is ~\$640B category)

Restaurants

- Survey Results Support Our “Year of the Restaurant: The Second Course” Thesis :
 - Favorable Cycle Continues
 - Increasing Demand and Less Supply Create Favorable Set Up To Support Premium Multiples
 - Focus on Companies With Brand Equity, Asset Light Growth, and Licensing Arrangements
- Survey Data Highlights Ongoing “Blurring of the Lines”; Limited Service Segment Benefitting Most
 - During Last Nine Survey Periods:
 - Limited Service Has Gained Momentum and Increased Overall Preference to 57% from 43%
 - Growth Within Limited Service Relatively Balanced:
 - Quick Service Has Increased Overall Preference 600 bps to 41% from 35%
 - Fast Casual Has Increased Overall Preference 700 bps to 15% from 8%



Brand Preference By Cuisine

- **Now Taking a Deeper Dive on Teen Preferences:**
 - Looking at Brand Preference Over Time Across Industry Segment and Cuisine Type
- **New Approach Uncovers Brand Equity Trends By Segment:**
 - Now Able to See Relative Share Shifts Between Industry Segments and Peers During Survey Cycles
- **Able to See Relative Share Shifts Across Industry Segments and Between Peers During Survey Cycles:**
 - Strong Performers Include CAKE, CMG, Red Lobster (DRI), Olive Garden (DRI), and SBUX

Spring 2011 Upper Income		Fall 2011 Upper Income		Spring 2012 Upper Income		Fall 2012 Upper Income		Spring 2013 Upper Income	
American Cuisine									
Chili's Grill & Bar	20%	Chili's Grill & Bar	16%	The Cheesecake Factory	15%	The Cheesecake Factory	18%	The Cheesecake Factory	14%
The Cheesecake Factory	13%	The Cheesecake Factory	12%	Chili's Grill & Bar	13%	Chili's Grill & Bar	16%	Buffalo Wild Wings Grill & Bar	11%
Buffalo Wild Wings Grill & Bar	9%	Buffalo Wild Wings Grill & Bar	11%	Ninety-Nine Restaurants	8%	Buffalo Wild Wings Grill & Bar	12%	Chili's Grill & Bar	10%
Ninety-Nine Restaurants	7%	Applebee's	8%	Applebee's	8%	BJ's Restaurant & Brewhouse	8%	Applebee's	7%
Applebee's	6%	T.G.I Friday's	7%	T.G.I Friday's	8%	Applebee's	6%	Sweetwater Tavern	7%
Italian Cuisine									
Olive Garden	48%	Olive Garden	43%	Olive Garden	44%	Olive Garden	49%	Olive Garden	56%
Punch Pizza	8%	Bertucci's Italian Restaurant	10%	Bertucci's Italian Restaurant	9%	California Pizza Kitchen	9%	Buca di Beppo	5%
Carrabba's Italian Grill	6%	California Pizza Kitchen	8%	California Pizza Kitchen	8%	Bertucci's Italian Restaurant	6%	California Pizza Kitchen	4%
Bertucci's Italian Restaurant	4%	Macaroni Grill	7%	Maggiano's Little Italy	5%	Maggiano's Little Italy	4%	Maggiano's Little Italy	3%
California Pizza Kitchen	4%	Punch Pizza	6%	Carrabba's Italian Grill	5%	Macaroni Grill	4%	Pasta Vino	2%
Steak & Seafood Cuisine									
Outback Steakhouse	30%	Outback Steakhouse	26%	Red Lobster	30%	Outback Steakhouse	23%	Outback Steakhouse	20%
LongHorn Steakhouse	10%	Fogo de Chao	9%	Outback Steakhouse	25%	Red Lobster	12%	Red Lobster	17%
Red Lobster	10%	Texas Roadhouse	9%	Texas Roadhouse	8%	Texas Roadhouse	8%	Ruth's Chris Steak House	10%
Texas Roadhouse	8%	Ruth's Chris Steak House	8%	Ruth's Chris Steak House	6%	Ruth's Chris Steak House	8%	Texas Roadhouse	9%
Fogo de Chao	8%	Red Lobster	6%	LongHorn Steakhouse	5%	LongHorn Steakhouse	6%	LongHorn Steakhouse	6%
Hispanic Cuisine									
Chipotle Mexican Grill	59%	Chipotle Mexican Grill	63%	Chipotle Mexican Grill	62%	Chipotle Mexican Grill	57%	Chipotle Mexican Grill	63%
Taco Bell	20%	Taco Bell	15%	Taco Bell	9%	Taco Bell	11%	Taco Bell	14%
Qdoba Mexican Grill	6%	Qdoba Mexican Grill	4%	Taco Mac	6%	Moe's Southwest Grill	8%	Moe's Southwest Grill	8%
Taco Mac	5%	Rubio's Fresh Mexican Grill	3%	Qdoba Mexican Grill	6%	Taco Mac	5%	Qdoba Mexican Grill	5%
On The Border Mexican Grill & Cantina	2%	Taco Mac	3%	Moe's Southwest Grill	5%	AnaMia's Tex-Mex	2%	Taco Mac	4%

Beauty & Personal Care

Gen Y (Teen Girls) Snapshot:

- Upper-income teen beauty spending down 3% y/y and up 2% sequentially from Fall 2012.
- Average-income beauty spending is up 1% y/y and 4% sequentially from Fall 2012. For the second consecutive survey, average-income beauty spending is now at parity with upper-income spending.
- MAC is the No. 1 cosmetics brand for upper-income teens for the fifth time in a row; Cover Girl remains the No. 1 cosmetics brand for average-income teens.
- Preferred fragrance brand for women: Victoria's Secret (in line with past ten surveys); men prefer Ralph Lauren as their fragrance of choice.
- Gen Y demanding greater diversity of cosmetics offerings likely spurred by the many emerging cosmetics brands coming to market with new or superior innovations.

Beauty & Personal Care

Favorite Cosmetics Brand For Teen Girls – Upper-Income Student Survey

Spring 2013			Fall 2012		
Rank	Favorite Cosmetics Brand	% Total	Rank	Favorite Cosmetics Brand	% Total
1	MAC	14%	1	MAC	19%
2	Maybelline	13%	2	Cover Girl	14%
3	Cover Girl	10%	3	Maybelline	13%
4	Bare Escentuals	7%	4	Bare Escentuals	8%
5	Clinique	5%	5	Clinique	7%
6	Sephora	4%	6	Sephora	5%
7	Urban Decay	4%	7	L'Oreal	4%
8	Neutrogena	3%	8	Neutrogena	3%
9	Benefit	3%	9	Urban Decay	2%
10	Revlon	2%	10	Mary-Kay	2%

Spring 2012			Fall 2011		
Rank	Favorite Cosmetics Brand	% Total	Rank	Favorite Cosmetics Brand	% Total
1	MAC	19%	1	MAC	19%
2	Cover Girl	16%	2	Cover Girl	16%
3	Maybelline	13%	3	Maybelline	8%
4	Bare Escentuals	7%	4	Bare Escentuals	7%
5	Clinique	7%	5	Clinique	6%
6	Sephora	4%	6	Sephora	3%
7	Urban Decay	3%	7	L'Oreal	3%
8	L'Oreal	3%	8	Neutrogena	3%
9	Neutrogena	3%	9	Revlon	2%
10	Mary-Kay	3%	10	Mary-Kay	2%
				Urban Decay	2%
				Chanel	2%

Beauty & Personal Care

Favorite Cosmetics Brand For Teen Girls – Average-Income Student Survey

Spring 2013			Fall 2012		
Rank	Favorite Cosmetics Brand	% Total	Rank	Favorite Cosmetics Brand	% Total
1	Cover Girl	13%	1	Cover Girl	18%
2	MAC	12%	2	Maybelline	14%
3	Maybelline	11%	3	MAC	12%
4	Bare Escentuals	4%	4	Bare Escentuals	6%
5	Mary-Kay	4%	5	Mary-Kay	5%
6	Clinique	3%	6	Clinique	4%
	L'Oreal	3%	7	Sephora	4%
8	Sephora	3%	8	L'Oreal	4%
9	e.l.f.	2%	9	Neutrogena	3%
10	Neutrogena	2%	10	Urban Decay	3%

Spring 2012			Fall 2011		
Rank	Favorite Cosmetics Brand	% Total	Rank	Favorite Cosmetics Brand	% Total
1	Cover Girl	17%	1	Cover Girl	18%
2	MAC	14%	2	Maybelline	11%
3	Maybelline	13%	3	MAC	11%
4	Bare Escentuals	7%	4	Bare Escentuals	6%
5	Sephora	5%	5	Clinique	4%
6	L'Oreal	4%	6	Mary-Kay	4%
7	Clinique	4%	7	Sephora	3%
8	Mary-Kay	4%	8	Neutrogena	3%
9	Avon	2%	9	L'Oreal	3%
10	Urban Decay	2%	10	Avon	3%

POP Quiz! – Off-Price Stores

Do you shop at off-price stores?

Spring 2013		
	Yes	No
Female	70%	26%
Male	55%	42%

Is it popular to shop at an off-price store?

Spring 2013		
	Yes	No
Female	55%	39%
Male	42%	52%

Do you prefer to shop at an off-price store versus a traditional department store?

Spring 2013		
	Yes	No
Female	41%	52%
Male	32%	60%

POP Quiz! – Online Shopping

Do you shop online?

Spring 2013			Fall 2012		
	Yes	No		Yes	No
Female	79%	20%	Female	75%	24%
Male	76%	24%	Male	82%	17%

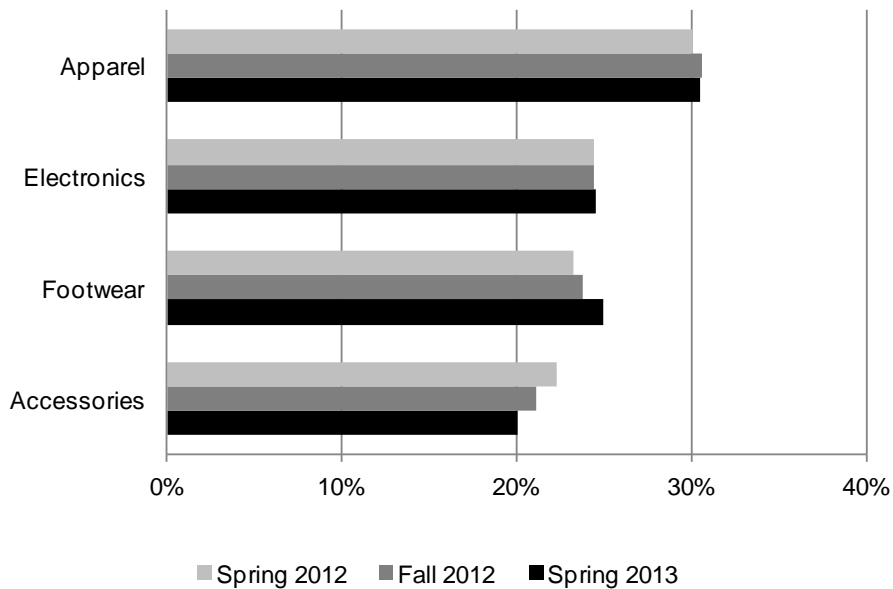
Spring 2012		
	Yes	No
Female	70%	28%
Male	75%	21%

Do you prefer to shop online or in stores?

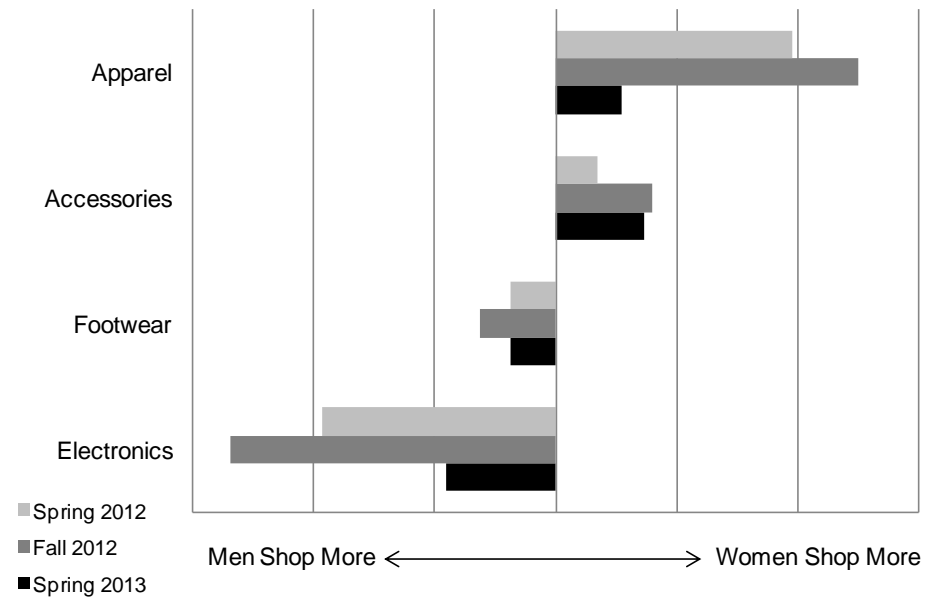
Spring 2013		
	Online	In Stores
Female	17%	78%
Male	19%	75%

POP Quiz! – Online Shopping

Online Spending By Category



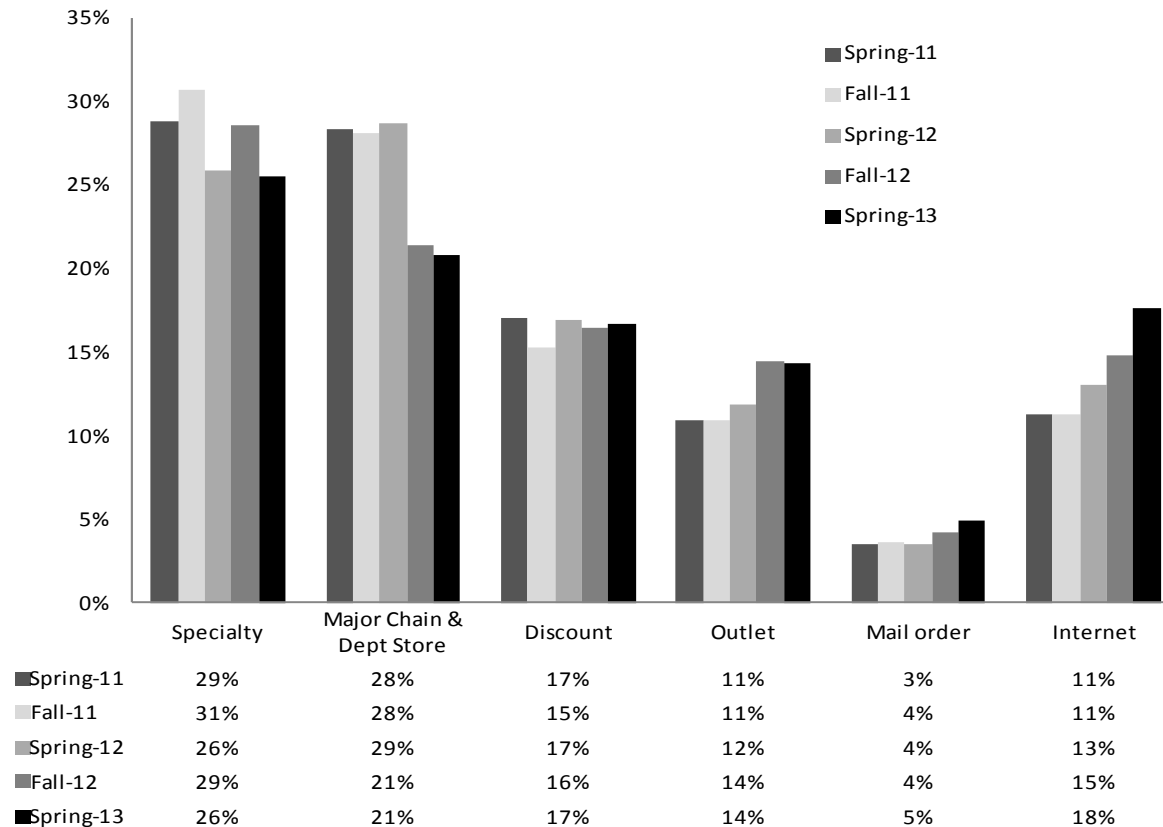
Spending Category Differences By Gender



Technology – Time Spend Online

Percentage of Tees Shopping Online:

Spring 2013			Fall 2012			Spring 2012		
	Yes	No		Yes	No		Yes	No
Female	79%	20%	Female	75%	24%	Female	70%	28%
Male	76%	24%	Male	82%	17%	Male	75%	21%



Technology – Favorite Website

Favorite Website, All Students

Spring 2013			Fall 2012			Spring 2012		
Rank	Favorite Site For Purchase	% Total	Rank	Favorite Site For Purchase	% Total	Rank	Favorite Site For Purchase	% Total
1	Amazon	23%	1	Amazon	20%	1	Amazon	13%
2	eBay	5%	2	eBay	6%	2	eBay	7%
3	Nike	4%	3	Nike	5%	3	Nike	5%
4	Forever 21	3%	4	Forever 21	3%		Victoria's Secret	5%
5	Wanelo	3%	5	Urban Outfitters	3%	5	Forever 21	4%
6	Eastbay	3%	6	Eastbay	3%	6	American Eagle	2%
7	Urban Outfitters	2%	7	Nordstrom	2%	7	Eastbay	2%
8	American Eagle	1%	8	Victoria's Secret	1%	8	Abercrombie & Fitch	1%
9	Victoria's Secret	1%	9	American Eagle	1%	9	Best Buy	1%
10	Nordstrom	1%	10	Apple/iTunes	1%	10	Tilly's	1%
	KarmaLoop	1%						

Technology – Social Media

Does social media impact purchasing?

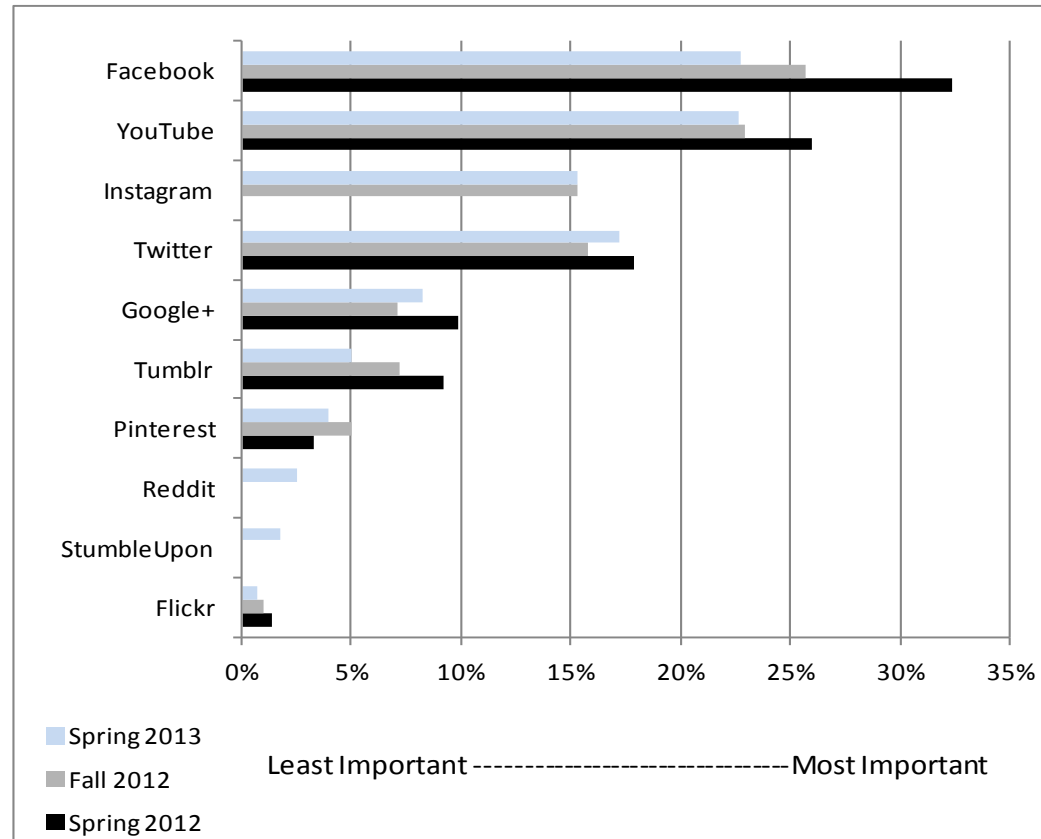
Spring 2013		
	Yes	No
Female	53%	45%
Male	52%	46%

**Top Five “Write-In” Social Media Sites
Called Out By Teens:**

- Wanelo
- Vine
- Snapchat
- Kik
- 4chan

Technology – Social Media

Most Important Social Media Sites For Teens



Digital Media – Apple

Apple's mobile devices continue to gain popularity among teens

- **iPhone Ownership Among Teens Reaches Nearly Half**
 - 48% of teens own an iPhone compared to 40% last fall
 - iPhone 5 driving ownership
 - 62% of teens plan on making iPhone their next mobile device (flat vs. Fall 2012)
 - 23% expect Android from 22% in Fall 2012
- **Tablet Ownership Continues To Grow, iPad Mini Showing Up**
 - 51% of teens surveyed owned a tablet computer from 44% Fall 2012
 - 68% iPad share from 72%
 - 17% of teens plan on buying a tablet in the next 6 months (vs. 20% Fall 2012)
 - 68% plan to buy an iPad (54% full size/14% Mini)

Social Media – Facebook

Facebook remains most important social network to teens
Twitter a close second

- Facebook ranks above Twitter, Instagram in importance

PJC Teen Survey - Social Networking	Fall-12	Spring-13	Change
Most Important Social Network?			
Facebook	42%	33%	-9%
Twitter	27%	30%	3%
Instagram	12%	17%	5%
Google+	6%	5%	-1%
Tumblr	3%	4%	1%
Pinterest	2%	2%	0%
Other	2%	4%	2%
Don't Use Social Networks	7%	6%	-1%

Source: Piper Jaffray

- Believe data confirms anecdotal evidence that teens are looking for their own platform
- Instagram continues to look smart
- Expect continued interest in emerging social platforms from Facebook

Movie Rentals

Netflix & Redbox are “alternative video rental models” gaining share from traditional channels

- Netflix (NFLX) streaming and Coinstar’s (CSTR) Redbox kiosks are benefiting from the closing of movie rental retail stores (Blockbuster, etc)
- **Retail Stores:** 29% of teens currently rent movies at retail stores (35% in Spring-12), and just 5% expect to rent at retail stores in five years; share will shift online and to kiosks
- **Netflix:** DVD-by-Mail and Digital streaming address 52% of market today
 - **DVD-By-Mail:** 6% of teens currently use DVD-by-Mail
 - **Downloads/Streaming:** 46% currently download/stream movie rentals
 - **In 5 Years 59%** of teens expect **Netflix** to be their primary source of movie rentals (48% in Spring-12)
 - Raising NFLX price target to \$170 to reflect increasingly dominant mindshare among critical demos
- **Coinstar/Redbox:** Kiosks are taking share from retail stores (Blockbuster) closing & declining DVD-by-mail
 - **Kiosks:** 19% currently use kiosks to rent movies (up from 18% in our Spring-12 survey)
 - **In 5 years 18%** of teens expect **Redbox** to be their primary source of movie rentals (no significant chg from the 19% using kiosks using today)

Video Games

Teens represent over one-third of video game players – games represent 6% of teen spending

Teen Interest In Traditional Console Gaming Remains Strong entering new console cycle

- 32% of teens plan to spend more time playing video games this year vs. 28% in Spring-12; this was the highest since Spring-08

Interest In Next Gen Consoles Higher Than We Had Expected

- Of the ~3,400 gamers surveyed (those that play games at least once per month), 73% indicated they are aware next gen consoles (PS4 & Xbox 720) are expected to launch later this year
- 52% of teen gamers expect to purchase one of the next gen consoles

Used Market Remains Critical Component of Industry

- 29% of gamers will trade in and old console and game library to purchase new consoles
- There is has been discussion of new consoles not allowing used games, PS4 appears that it will allow used games, Xbox 720 is less certain – 63% of teen gamers said they purchase used games (the highest we've seen in multiple years) and 53% of those purchase them at GameStop (Wal-mart next closest at 13%)

Media & Entertainment

Teens' listenership grew for both Pandora (P) and radio (CMLS, SIRI) :

- Both listenership of Pandora and 'radio' is up from our 1H12 survey at the expense of mp3 listenership, boding well for radio broadcaster CMLS and satellite radio operator SIRI. The pie seems to be growing for radio services broadly (including broadcast, satellite and internet), but we think investor focus has been that internet is taking listenership from other players.

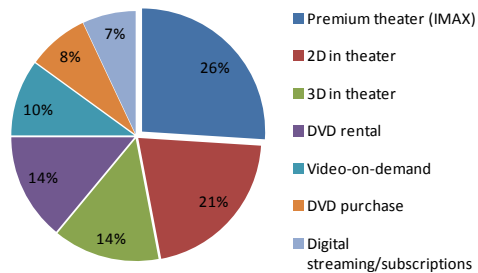
Teens like watching films in premium formats including IMAX Corp (IMAX):

- IMAX remains the most preferred way to watch a movie, with digital streaming getting interest -- improving from 4% of responses to 7%.

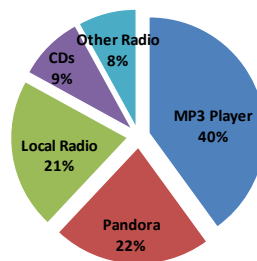
Increasing interest in home video boding well for LGF, DWA:

- Interest in home video entertainment increased from 25% in 1H12 survey to 39% in 2H12, boding well for LGF and DWA (though we suspect seasonality patterns might be influencing results).

Preferred Method To Watch A Film



Preferred Music Source

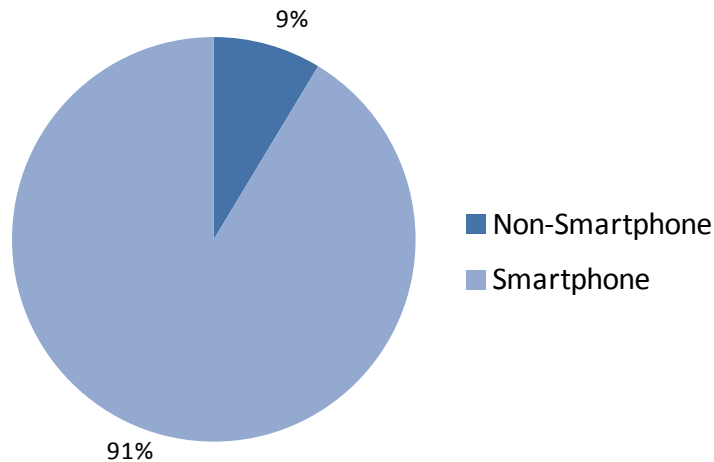


Telecommunications

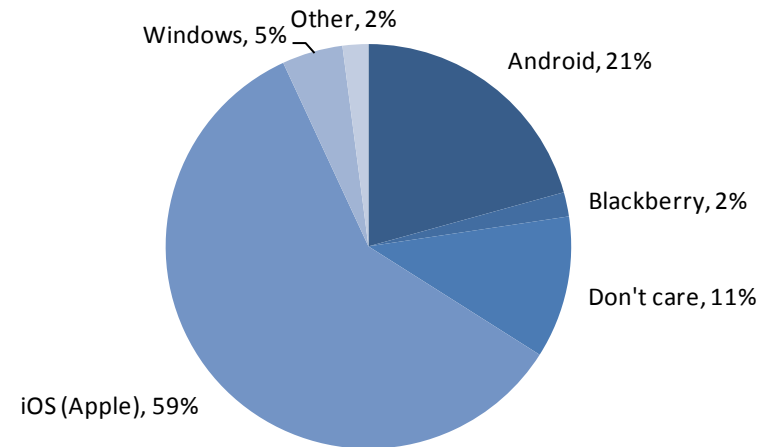
iOS Breaking Away as Smartphone Adoption Accelerates

- 91% of teens are likely to purchase a smartphone for their next device, up from 86% last spring and 90% last fall.
- iOS maintained its lead over Android with teens choosing it as the most desired operating system; 59% of teens likely to buy an iOS device (unchanged from fall) and 21% likely to buy an Android device (was 20%).

What Type Of Device Are You Likely To Purchase Next?



What O/S Is Likely To Be On Your Next Phone?



Telecommunications

Verizon and AT&T maintain their leading positions in a bifurcated wireless market

- Teens recognize Verizon (1st) and AT&T (2nd) have the best networks by a large margin.
- 25% of teens are interested in switching carriers, down from 27% in the fall. 55% of T-Mobile customers are looking to switch.
- Teens on Verizon are least likely to switch carriers, and Verizon is most popular network for teens to switch to from other carriers. AT&T isn't far behind.

Who Is Your Current Carrier?

AT&T	29%
Sprint	14%
T-Mobile	12%
Verizon Wireless	34%

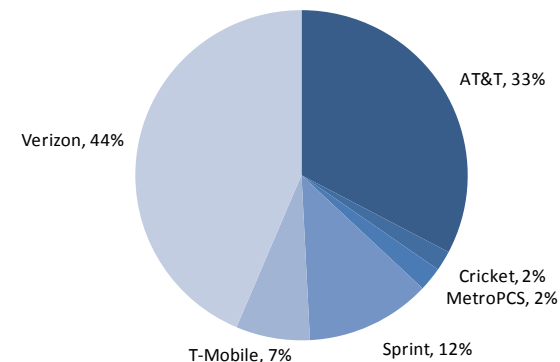
Interested In Changing Carriers?

AT&T Customers	24%
Sprint Customers	31%
T-Mobile Customers	55%
Verizon Wireless Customers	13%

Who Would You Switch To?

AT&T	32%
Sprint	15%
T-Mobile	10%
Verizon Wireless	35%

Which Wireless Carrier Has The Best Network?

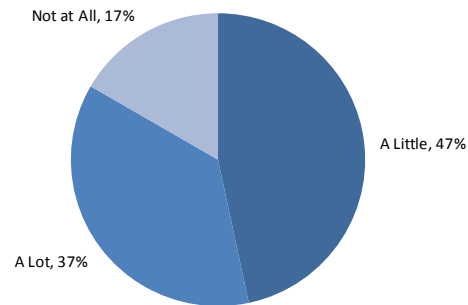


Telecommunications

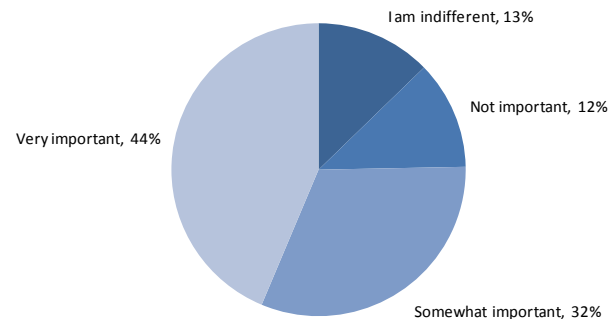
Teens more aware and interested in 4G

- As 4G LTE becomes increasingly important to teens, we believe network quality will emerge as a key differentiator among carriers. This may help to cement Verizon and AT&T's dominant positions.
- Our survey results indicate that unlimited data plans remain important with teens, with only 17% (unchanged) saying an unlimited plan would not influence them.
- 76% (was 73% last fall) of teens view 4G data as important; 41% (was 34% last fall) know they want LTE.

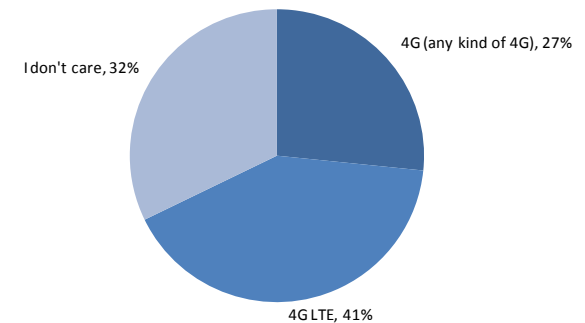
How Much Will A Carrier Offering Unlimited Data Influence You To Switch Carriers?



How Important Is It That Your Next Phone Has 4G?



Which Of The Following Data Capabilities Do You Want?



Appendix

- Stock Highlights: Teen Retail
- Stock Highlights: Global Fashion Brands
- Stock Highlights: Active & Healthy Lifestyle
- Stock Highlights: Restaurants
- Stock Highlights: Multi-Brand & Specialty Retail
- Stock Highlights: Apple/Facebook

Stock Highlights: Teen Retail

- **PSUN (+) Upgrading to Overweight; Crossover Fashion Positioning Validated By Results**
 - Action Sports moved higher in rank with the lift due entirely to PacSun's recapture of 100bps of share among teens
 - Boutique nature of current fashion merchandising effort is resonating with teens across gender and income profiles
 - We are raising our estimates slightly, accelerating the timeline to profitability
 - PT from \$2.50 to \$3.00 on 0.25x FY14 sales/share
- **AEO(+) Upgrading to Overweight; Widespread Brand Strength, Merchandise & Digital Opportunities**
 - Brand equity improves across gender and income segments; men's share highly sustainable; women's improvement is positive
 - Fashion merchandise initiatives are taking hold; we suspect AE is successfully recapturing female share lost to fast fashion
 - Digital opportunities creating compelling data intelligence, speed to market, and reduced markdown risk
 - Trimming near-term estimates on slow start to Spring (in general); constructive on market share opportunity into Q2 & 2H
 - PT at \$24 based on 16x FY14E EPS
- **ANF (+) Stable Domestic Brand Equity Core To Thesis; Cost Efforts To Follow**
 - Mindshare stabilization is key to recovery thesis; evidence of stability season to season for both A&F and Hollister
 - Next phase of recovery is cost based; recent filing points to domestic op margins in the low single digits; significant runway exists
 - Expect visibility on key initiatives in next 4-6 weeks
 - Estimates appear reasonable; guidance was conservative enough
- **ARO (-) Near-Term Caution On Deteriorated Rank & Share**
 - Degree to which mindshare has slipped was concerning, especially among females
 - High rate of correlation between Spring and Back To School; merchandise initiatives still in flux; visibility remains limited
 - Risk to estimates exists if comp rate continues to lag; getting increasingly expensive to recover share losses
- **WTSL, BODY (-) Category Cedes Share Among Females; Channel Shift & Frequency Challenge Positioning**

Stock Highlights: Global Fashion Brands

- **KORS (+) Strength In Mindshare & Strong Intent To Purchase Point To Future Market Share Gains**
 - Michael Kors maintained its No. 2 spot as preferred handbag brand among upper-income teens; mindshare from 9% in Fall to 18% in Spring.
 - Handbag mindshare among average-income teens nearly tripled, from 5% to 14% (rank No. 4 to No. 2)
 - Kors' customers show strong intent to purchase handbag in next six months--61% (upper-income females) and 74% (avg-income females).
- **DECK (=/+) UGG Demonstrates Mindshare Gains Across Both Teen Income Profiles**
 - Among all upper-income teens, UGG re-emerged within the top-five preferred footwear brands list in the No. 5 spot, above its No. 6 slot in Spring 2012.
 - For average-income female teens, the brand moved up from No. 9 (4% share) in Spring 2012 to from No. 5 (5% share) in Spring 2013.
 - Raising estimates tied to brand improvement in context of cooler Spring temps; FY13 E from \$3.62 to \$3.67; PT from \$40 to \$48; Reiterate Neutral
- **RL (+/=) RL Brand Equity Reinforced By Multi-Category Strength In Teen Survey**
 - Among upper-income teens, Polo Ralph Lauren took the No. 5 spot, consistent with one year ago; down two notches from Fall 2012.
 - Strong upward movement among upper-income male teens as a preferred footwear brand from No. 9 to No. 5—highest read in our survey.
 - Encouraged by multi-category brand strength in survey but comfortable with our below-Street ests. tied to challenging Yen headwinds and ahead of FY14 guidance.
- **VFC (=) Vans & The North Face Resonate With Teens Albeit With Consolidating Mindshare**
 - Vans maintained its 10% mindshare for all upper-income teens--this is consistent with Fall and Spring 2012.
 - Vans mindshare among average-income teens (70% of the respondents) decelerated from 8% in Fall 2012 to 7% in Spring 2013.
 - The North Face was No. 5 (1% share) for preferred athletic clothing brands (upper-income)—consistent with Fall 2012, but down from No. 4 in Spring (2% share).

Stock Highlights: Active & Healthy Lifestyle

- **DKS (+)** Remains favorite sporting goods store; tweaking numbers lower given weather trends
 - Dick's Sporting Goods remains No. 1 sporting goods retailer among both upper-income and average-income teens
 - Mindshare rises to 44% among upper-income teens, up from 41% in Fall 2012
 - Mindshare falls to 29% among average-income teens, down from 30% in Fall 2012, but up from 28% in Spring 2012
 - Nike (17% of sales) remains preferred clothing and footwear brand across athletic and fashion categories among both income groups
- **UA (=/-)** Mixed Results, Fashion gains with upper-income males, but athletic brand relevance slips
 - Under Armour remains No. 2 most preferred athletic apparel brand among both income groups and genders
 - Athletic apparel mindshare remains well behind Nike, spread at second highest point in survey history
 - Lululemon share improved to 7% (highest in history of survey) with upper-income women; may mitigate share gains moving forward
- **SKUL (-)** Brand desirability slips; Share losses with teen market not a good omen
 - Skullcandy headphones fall from 18% to 16% mindshare when asked what type of headphones students own
 - Intent to purchase also decelerates; Only 11% of students plan to buy Skullcandy headphones as their next pair, down from 14% last Fall
 - Potential cycle peak; Share of teens asking for headphones as gifts slips as a % of overall wish list, first time in 7 surveys
 - Beats by Dr. Dre and Apple continue to gain share in the category

Stock Highlights: Restaurants

- **SBUX (+) Still Top Pick**

- Ongoing Transition to Global Growth Portfolio
 - Increased Sales/Profits Alongside Multiple Expansion
- Recently:
 - CPG: Launched Verismo Single-Serve Brewing Platform
 - Debuting Cross-Channel Loyalty Program in May
- Valuation:
 - Project 5% 1Q13 Global Comp / \$0.47 in EPS
 - Value CPG at \$17/Share

- **CAKE (+) Strong Operations Domestically; Gaining Market Share Internationally**

- Global Growth Story
 - Store Growth Domestically
 - Asset-Light Growth Internationally
 - Attractive CPG Business Opportunity
- Increasing Target to \$42 (From \$37) Based on 9x EV/EBITDA
- Valuation:
 - Transitioning to EV/EBITDA Methodology From P/E
 - 1Q13E: Comp of +0.5% / EPS of \$0.43 / EBITDA of \$53 Mil.
 - Upside From International Franchise Units
 - 1 Store = \$0.01 in EPS/unit or = \$1 Mil. in EBITDA

**SBUX Valuation Analysis: Sum of Parts EBIT/DA Basis
(Based on FY16 Projections)**

Total EBIT	\$	3,830.4	million
Total EBITDA	\$	4,579.8	million
Total CPG Sales	\$	2,719.3	million
CPG Margin		22.9%	
CPG EBIT	\$	622.7	million
CPG Multiple:		20	x
Value:	\$	17.06	per share
Implied Retail EBIT	\$	3,207.7	
D&A:	\$	749.4	million
Implied Retail EBITDA:	\$	3,957.1	million
Retail Multiple:		9	x
Value:	\$	48.24	per share

Shares Outstanding 730.0 shares

Value: \$65 per share

**CAKE: Pipeline Valuation Analysis
(Based on Earnings and Unit Growth Projections)**

Projected Earnings (FY14):	\$	2.48	per share
x Multiple:		13	x
"Core" Value: \$32.30 per share			

Projected Unit Growth Pipeline:	30	units
x Projected AUVs:	\$10.0	million
= Projected Domestic Sales:	\$300.0	million

Projected Unit Intl Growth Pipeline:	50	units
x Projected AUVs:	\$13.0	million
= Projected Domestic Sales:	\$650.0	million
x Projected Royalty:	5.0%	
= Projected Royalty Revenue:	\$32.5	million

Flow Through:	12%
Incremental Sales:	\$67.9 million
Tax Rate:	29.0%
	\$48.2 million

@ Discount Rate (for 5 Years):	7%
/Shares Outstanding:	54.9 million
x Multiple:	16.0 x
Pipeline Value:	\$10.00 per share

Total Value: \$42.30 per share

Stock Highlights: Multi-Brand & Specialty Retail

- **JWN (+): Favored Retailer & Top E-Commerce Destination**
 - Young women voted Nordstrom as their No. 5 favorite retailer, in line with a year ago
 - Teens who shop at JWN spend more on fashion than any other retailers' teen customer base
- **LTD (+): Strength In Fragrance & Apparel; Survey Points To Victoria's Secret As A "Trending" Brand**
 - Victoria's Secret and Bath & Body Works continue to increase mindshare and are the dominant fragrance brands for teens
 - Victoria's Secret ranks in top ten apparel brands for the first time; adjacent apparel categories will likely lead to further mindshare growth
- **URBN (+): Focused On An Older Customer, But A Perennial Top Ten**
 - Urban Outfitters remains on the radar of teens, with upper-income teens voting the brand No. 7 and upper-income women No. 5
 - The Urban Outfitters teen customer devotes 42% of spending to fashion-related categories, well above the survey group average of 34%
- **COH (-): Focused On An Older Customer, But A Perennial Top Ten**
 - Brand ranking among young women is still No. 1, but mindshare is decreasing
 - Intent to spend on a handbag in the next six months for upper-income teens is 49% for Coach customers versus 61% for Michael Kors customers.

Stock Highlights: Digital & Social Media

- **AAPL(+)** Apple Remains Most Popular Technology Brand Among Teens
 - 48% iPhone ownership makes iPhone most important mobile platform for teens
 - Path to 60%+ share in phones apparent
- **FB(+/-)** Facebook Remains Most Important Social Platform For Teens, Twitter Close Second
 - 33% of teens choose FB as most important social network, 30% Twitter
 - Instagram offsets some of the shift to Twitter with 17% of most important votes

Stock Highlights: Video Games

- **EA, ATVI & TTWO (+):** Console gaming mindshare strong among teens as we enter next console cycle
 - Survey suggests console gaming space is not “broken,” cyclical downturn has been due to age of current console cycle
 - With solid awareness (73% of gamers) that next gen consoles are arriving later this year and purchase intent (52%) high, we believe there is potential for a period of renewed growth to follow the current console transition air pocket in demand
 - In addition to the console shipments, there are multiple title specific catalysts: TTWO (GTA V) & EA (Battlefield 4), most notably

PUTTING SOME NUMBERS AROUND THE NEXT GEN CONSOLE CYCLE

- *52% OF TEEN GAMERS EXPECT TO PURCHASE A NEXT GEN CONSOLE*
- *WE ASSUME TEENS INTEND TO PURCHASE WITHIN 4 YEARS OF LAUNCH*
- *CURRENT WORLDWIDE ACTIVE HD CONSOLE INSTALLED BASE (PS3 & XBOX 360) IS 100M; APPLYING OUR TEEN SAMPLE TO THIS INSTALLED BASE SUGGESTS 52M NEXT GEN CONSOLES SHIP IN THE NEXT 4 YEARS*
- *72M CONSOLES SHIPPED IN FIRST 4 YEARS OF XBOX 360 & PS3 AVAILABILITY; SO 52M WOULD SUGGEST THIS CYCLE IS ~75% AS LARGE*
- *WE VIEW THIS AS A POSITIVE, GIVEN WE HAVE BEEN EXPECTING NEXT GEN CYCLE TO BE AROUND 60% AS LARGE AS CURRENT GEN CYCLE*

- **GME (+):** Used game market continues to be critical component of the industry
 - More teens are purchasing used games now than in recent years and GameStop is the far-and-away market share leader
 - GameStop’s growing share of next gen console hardware (from an estimated 15% to 25% during '05/'06 to 30% to 40% in N. America in '12/'13) is a commonly debated bull case scenario and is supported by our survey data
 - While video game software publishers experience a delayed benefit from new consoles as they wait for the installed base of hardware to become large enough to drive new software sales, GameStop will experience an immediate benefit from new hardware sales and trade-in activity that accompanies a console transition

Analyst Biographies & Coverage Lists

Analysts listed in speaking order



Steph Wissink is a principal, senior research analyst and co-director of investment research. Wissink joined Piper Jaffray in May 2002 and has served in various capacities within Investment Research including as an associate analyst on the consumer team for eight years. As a senior analyst, Wissink focuses on teen/youth specialty retail, authoring reports on youth spending, fashion brands, and retail markets. Wissink spearheads Piper Jaffray's bi-annual Taking Stock With Teens consumer insight project in which nearly 20,000 teens, young adults, and their parents are surveyed each year. Wissink combines her interest in youth marketing and generational psychology with her professional experience by serving on the National Advisory Board for DECA.

Senior Associate: Erinn Murphy
Associate: Maria Vizuete

Coverage Includes: ANF, ARO, AEO, BODY, GPS, GCO, HOTT, PSUN, RUE, TLYS, WTSL, ZUMZ



Erinn Murphy is an assistant vice president and research analyst working with Steph Wissink on the Consumer research team. Murphy joined Piper Jaffray in January 2005 as an associate analyst, focusing on women's apparel specialty retail, home furnishings and personal care sector. In December 2008, Erinn expanded her international experience by joining ExxonMobil's Gas & Power Marketing group fulfilling roles as a natural gas negotiator and a Senior Supply/Demand Planner. Murphy re-joined Piper Jaffray in 2011 as a research analyst focused on the teen & youth specialty retail sector. Murphy was promoted to assistant vice president in mid-2012 and maintains lead responsibility for the team's global fashion brand coverage. Having grown up in the Middle East, Murphy is passionate about the international markets and has a strong affinity for languages with competencies in both French and Arabic. Murphy holds a bachelor's degrees in economics and French from Calvin College.

Associate: Maria Vizuete

Coverage Includes: CROX, DECK, GIII, GES, KORS, PVH, ZQK, RL, VFC

Analyst Biographies & Coverage Lists

Analysts listed in speaking order



Sean Naughton is a vice president and senior research analyst covering the consumer sector, specifically companies contributing to active and healthy lifestyles. Prior to joining Piper Jaffray in 2007, Sean worked for Target in capital investment analysis responsible for new and existing store valuations. Sean holds the Chartered Financial Analyst designation.

Associates: Adam Engebretson, CFA & Jared Madlin

Coverage Includes: BGS, BGFV, BDE, CAB, COST, DKS, HAIN, HIBB, GAGA, LTM, NGVC, SKUL, TGT, TFM, CLUB, UA, UNFI, VSI, WFM



Nicole Miller Regan is a managing director and senior research analyst at Piper Jaffray, where she focuses on the restaurant sector. Prior to joining Piper Jaffray in 2006, Regan worked in equity research at ThinkEquity Partners in Minneapolis, and at Sterne, Agee & Leach in New Orleans. In 2006, she was ranked No. 1 Stock Picker, related to 2005 coverage of her universe, by StarMine.

Senior Associate: Josh Long, CFA

Coverage Includes: AFCE, BJRI, BBRG, EAT, BKW, CAKE, CMG, DRI, DFRG, DNKN, BAGL, GMCR, IRG, MCD, PNRA, RRGB, RUTH, SONC, SBUX

Analyst Biographies & Coverage Lists



Neely Tamminga is a managing director and senior research analyst at Piper Jaffray focusing on specialty retailing: women's apparel & accessories, and personal products. Tamminga ranked as a top sell-side analyst in The Wall Street Journal Best on the Street analyst survey in 2006 and 2011 for her coverage in broadline and apparel retailers. In 2010, FT/StarMine ranked Tamminga No. 2 in Stock Picking for her 2009 coverage in Specialty Retail. In 2009, FT/StarMine ranked Tamminga No. 2 Industry Estimator for her 2008 coverage in Personal Products. Tamminga has also received recognition by Institutional Investor magazine for her coverage in the apparel & footwear, department stores, and hardlines retailing sectors. Prior to joining Piper Jaffray in 2002, Tamminga worked at A.G. Edwards & Sons, Inc. in St. Louis, where she covered specialty apparel retailing companies.

Senior Associate: Alex Fuhrman, CFA, CMT
Assisted By: Kayla Berg

Coverage Includes: ANN, ASNA, CACH, CHS, CBK, COH, CWTR, EL, EXPR, FOSL, GMAN, HSNI, IPAR, JCP, KIRK, KSS, LTD, NWY, JWN, RH, ROST, ULTA, URBN, VVTV, VRA, WSM



Gene Munster is a managing director and senior research analyst at Piper Jaffray, specializing in Internet. He joined Piper Jaffray in 1995. Munster's Internet focus includes the US, Europe, China & Latin America. In addition, Munster has covered the Digital Media space since 1995, including Apple. He has authored several key industry reports on technology and is quoted frequently in key financial and technical news journals.

Senior Associate: Doug Clinton
Associate: Matt Lebo

Coverage Includes: AMZN, ANGI, AAPL, BIDU, DRIV, EBAY, FB, GOOG, GRPN, IACI, LNKD, LOGM, MCHX, MELI, RLOC, SINA, MOBI, PRTS, VCLK, VIPS, WWWW, YHOO, YNDX, YELP, YY

Analyst Biographies & Coverage Lists



Mike Olson is a managing director and senior research analyst at Piper Jaffray covering online media, online travel, and video games. Olson has been with Piper Jaffray covering companies in these industries since 2001 and has authored numerous industry reports, including "Internet Video: Field of Dreams or Nightmare on Elm Street," "The Next Leg of Online Travel," and "Pwned: How Casual Games Changed The Gaming Landscape." Olson was recognized as the No. 2 stock picker and earnings estimator in the 2011 Financial Times / StarMine Internet & Catalog Retail category and was ranked in the 2010 Wall Street Journal "Best On The Street" for the Leisure Goods & Services category.

Associates: Andrew Connor & Ryan Wright

Coverage Includes: ATVI, ADBE, AKAM, AVID, CSTR, CTRP, DLB, DTSI, EA, EXPE, GME, GLUU, AWAY, KYAK, LLNW, NFLX, OPEN, OWW, PCLN, RNWK, ROVI, TTWO, TIVO, TRIP, ZNGA



James Marsh is a managing director and senior research analyst at Piper Jaffray, following entertainment, radio and television broadcasting, outdoor advertising, and publishing companies. Previously, he co-founded Hanover Square Capital Management, LLC., a hedge fund focused on the Consumer and Media sectors. Prior to that, Marsh covered the radio and television broadcasting, publishing and outdoor advertising sectors at Cowen & Co., Robertson Stephens and Prudential Securities. In 2004, Marsh ranked third in stock picking for the broadcasting & entertainment sector in The Wall Street Journal's "Best on the Street" analyst survey. James is a Chartered Financial Analyst, as well as a Certified Public Accountant.

Associate: Stan Meyers

Coverage Includes: Coverage Includes: BONA, CKEC, CBS, CHRM, CNK, CMLS, DISCA, DWA, ENT, IMAX, LAMR, LGF, MDCA, MM, NCMI, P, RLD, RGC, SNI, SIRI, IPG, VIAB, DIS



Chris Larsen is a managing director and senior research analyst following telecommunication services. Larsen has followed the space for more than 18 years, including positions at Credit Suisse and prior to that at Prudential Securities and NatWest Securities. He was named on the Institutional Investor All Star team five years and been ranked in the Wall Street Journal "Best On The Street" survey and the NASDAQ/StarMine survey for both stock picking and estimate accuracy.

Associate: Brad Korch

Coverage Includes: VNET, AMT, T, CTL, CBB, CCI, EQIX, FTR, INAP, INXN, LEAP, LVL, PCS, PIX CN, RAX, SBAC, S, TNAV, VZ, WIN

Disclosures

Disclosures for universe of: Stephanie Wissink, Nicole Miller Regan, Sean Naughton, Neely Tamminga, Gene Munster, Mike Olson, Chris Larsen, James Marsh

1. I or a household member have a financial interest in the securities of the following companies: none
2. I or a household member is an officer, director, or advisory board member of the following companies: none
3. I have received compensation within the past 12 months from the following companies: none
4. Piper Jaffray or its affiliates beneficially own 1% or more of any class of common equities of the following companies: Olson: GLUU
5. The following companies have been investment banking clients of Piper Jaffray during the past 12 months: Miller Regan: BAGL, DFRG, IRG, SBUX ; Wissink: KORS, TLYS; Naughton: BDE, NGVC; Tamminga: EXPR, GMAN, RH, ULTA; Munster: AAPL, FB, WWWW, YY; Olson: KYAK; Marsh: DISCA, ENT
6. Piper Jaffray expects to have the following companies as investment banking clients within the next three months: Miller Regan: BAGL; Wissink: KORS; Tamminga: RH ; Munster: YY; Marsh: DISCA, ENT
7. Other material conflicts of interest for Piper Jaffray regarding companies in my universe for which I am aware include: Miller Regan: DFRG, IRG: underwriting; Wissink: KORS, TLYS: underwriting; Naughton: BDE, NGVC: underwriting; Tamminga: GMAN, RH, ULTA: underwriting; Munster: FB, WWWW, YY: underwriting; Olson: KYAK, underwriting; Marsh: DISCA: underwriting
8. Piper Jaffray received non-investment banking securities-related compensation from the following companies during the past 12 months: Wissink: CROX, GCO; Tamminga: KIRK; Munster: DRIV, RLOC
9. Piper Jaffray makes a market in the securities of the following companies, and will buy and sell the securities of these companies on a principal basis: Miller Regan: AFCE, BAGL, BBRG, BJRI, BKW, CAKE, DFRG, DNKN, DRI, EAT, GMCR, IRG, MCD, PEET, PNRA, RRGB, RUTH, SBUX, SONC; Wissink: AEO, ANF, ARO, BODY, CROX, DECK, GCO, GES, GIII, GPS, HOTT, KORS, PSUN, RUE, TLYS, WTSLA, ZUMZ; Naughton: BDE, BGFV, CLUB, COST, DKS, GAGA, HAIN, HIBB, NGVC, SKUL, TFM, TGT, UA, UNFI, WFM; Tamminga: ANN, ASNA, CACH, CHS, COH, CWTR, EXPR, FOSL, GMAN, IPAR, JCP, JWN, KIRK, KSS, RH, ROST, ULTA, URBN, VRA, VVTV; Munster: AAPL, AMZN, ANGI, BIDU, DRIV, EBAY, FB, GOOG, GRPN, IACI, LNKD, LOGM, MCHX, MELI, MOBI, PRTS, RLOC, SINA, VCLK, WWWW, YELP, YHOO, YNDX, YY; Olson: ADBE, AKAM, ATVI, AVID, CSTR, CTRP, DLB, DTSI, EA, EXPE, GLUU, GME, KYAK, LLNW, NFLX, OPEN, PCLN, RNWK, ROVI, TTWO, ZNGA; Larsen: AMT, CCI, EQIX, INAP, INXN, LEAP, LVL, PCS, RAX, S, SBAC, TNAV, VNET, VZ; Marsh: CHRM, CKEC, CMLS, DISCA, DWA, IMAX, LAMR, LGF, MDCA, NCMI, P, RGC, RLD, SIRI
10. Piper Jaffray usually provides bids and offers for the securities of the following companies and will, from time to time, buy and sell the securities of these companies on a principal basis: Miller Regan: CMG; Wissink: PVH, RL, VFC, WRC, ZQK; Naughton: BGS, CAB, LTM, VSI; Tamminga: CBK, EL, HSNI, LTD, NWY, WSM; Olson: AWAY, OWW, TRIP, TIVO; Larsen: CBB, CTL, FTR, T, WIN; Marsh: CBS, CNK, DIS, ENT, IPG, MM, SNI, VIAB

Important Research Disclosures

Analyst Certification – Stephanie Wissink, Nicole Miller Regan, Sean Naughton, Neely Tamminga, Gene Munster, Mike Olson, Chris Larsen, James Marsh, Senior Research Analysts

The views expressed in this report accurately reflect my personal views about the subject company and the subject security. In addition, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Piper Jaffray research analysts receive compensation that is based, in part, on the firm's overall revenues, which include investment banking revenues.

Piper Jaffray does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decisions. This report should be read in conjunction with important disclosure information, including an attestation under Regulation Analyst Certification, found at the following site: <http://www.piperjaffray.com/researchdisclosures>.

Ratings and Other Definitions

Stock Ratings: Piper Jaffray ratings are indicators of expected total return (price appreciation plus dividend) within the next 12 months. At times analysts may specify a different investment horizon or may include additional investment time horizons for specific stocks. Stock performance is measured relative to the group of stocks covered by each analyst. Lists of the stocks covered by each are available at www.piperjaffray.com/researchdisclosures. Stock ratings and/or stock coverage may be suspended from time to time in the event that there is no active analyst opinion or analyst coverage, but the opinion or coverage is expected to resume. Research reports and ratings should not be relied upon as individual investment advice. As always, an investor's decision to buy or sell a security must depend on individual circumstances, including existing holdings, time horizons and risk tolerance. Piper Jaffray sales and trading personnel may provide written or oral commentary, trade ideas, or other information about a particular stock to clients or internal trading desks reflecting different opinions than those expressed by the research analyst. In addition, Piper Jaffray technical research products are based on different methodologies and may contradict the opinions contained in fundamental research reports.

Overweight (OW): Anticipated to outperform relative to the median of the group of stocks covered by the analyst.

Neutral (N): Anticipated to perform in line relative to the median of the group of stocks covered by the analyst.

Underweight (UW): Anticipated to underperform relative to the median of the group of stocks covered by the analyst.

Important Research Disclosures

Other Important Information

The material regarding the subject company is based on data obtained from sources deemed to be reliable; it is not guaranteed as to accuracy and does not purport to be complete. This report is solely for informational purposes and is not intended to be used as the primary basis of investment decisions. Piper Jaffray has not assessed the suitability of the subject company for any person. Because of individual client requirements, it is not, and it should not be construed as, advice designed to meet the particular investment needs of any investor. This report is not an offer or the solicitation of an offer to sell or buy any security. Unless otherwise noted, the price of a security mentioned in this report is the market closing price as of the end of the prior business day. Piper Jaffray does not maintain a predetermined schedule for publication of research and will not necessarily update this report. Piper Jaffray policy generally prohibits research analysts from sending draft research reports to subject companies; however, it should be presumed that the analyst(s) who authored this report has had discussions with the subject company to ensure factual accuracy prior to publication, and has had assistance from the company in conducting diligence, including visits to company sites and meetings with company management and other representatives.

Notice to customers: This material is not directed to, or intended for distribution to or use by, any person or entity if Piper Jaffray is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to such person or entity. Customers in any of the jurisdictions where Piper Jaffray and its affiliates do business who wish to effect a transaction in the securities discussed in this report should contact their local Piper Jaffray sales representative. **Europe:** This material is for the use of intended recipients only and only for distribution to professional and institutional investors, i.e. persons who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom, or persons who have been categorized by Piper Jaffray Ltd. as professional clients under the rules of the Financial Services Authority. **United States:** This report is distributed in the United States by Piper Jaffray & Co., member SIPC, FINRA and NYSE, Inc., which accepts responsibility for its contents. The securities described in this report may not have been registered under the U.S. Securities Act of 1933 and, in such case, may not be offered or sold in the United States or to U.S. persons unless they have been so registered, or an exemption from the registration requirements is available.

This report is produced for the use of Piper Jaffray customers and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose without the written consent of Piper Jaffray. Additional information is available upon request.

© 2012 Piper Jaffray. All rights reserved.