

Michaels Acquires Digital Scrapbooking Technology

ScrapHD application expands retailer's scrapbooking offerings with online component.

IRVING, Texas, Sept. 20 /PRNewswire/ -- Michaels Stores, Inc., North America's largest arts and crafts specialty retailer, announces the acquisition of the online scrapbooking application created by Chicago-based technology company ScrapHD, LLC, featuring an unprecedented level of customization using content from top scrapbooking vendors.

The application allows customers to work online to create digital scrapbooks that they can print at home or have bound into a professional, coffee table style book and sent to their homes or nearest Michaels store. Digital scrapbookers can also use their photos and layouts to create custom greeting cards and posters.

"We believe existing and future Michaels customers will love this application, featuring more than 10,000 pieces of digital creative content and an easy-to-use interface that appeals to beginners and experts alike," said Michaels CEO John Menzer. "Digital photo booking and digital scrapbooking are an important part of Michaels' strategy to continue as a world-class leader in the arts and crafts industry."

"Our broad market reach and partnerships with leading traditional scrapbooking vendors, combined with ScrapHD's unique technology, will result in an offer that will allow people to stay digitally connected and preserve their memories in a very personalized manner," said Philo Pappas, Michaels Executive Vice President of Category Management.

The U.S. digital photo book market has grown by nearly 60 percent over the past five years, and is seen as a major potential growth area for the \$2.8 billion traditional scrapbook business.

"We have focused on building an application that gives scrapbookers the ability to really customize their pages and books in an online world with an application that is intuitive and easy-to-use," said Ross Petersen, President and co-founder of ScrapHD. "Michaels can take the ScrapHD technology to the millions of Americans who are interested in preserving their digital photos in a fun and creative format."

The ScrapHD website will be closed during the transition, and will re-launch under the Michaels banner in 2011 on Michaels.com with free content and paid memberships for access to premium content.

About Michaels

Irving, Texas-based Michaels Stores, Inc. is North America's largest specialty retailer of arts, crafts, framing, floral, wall decor, and seasonal merchandise for the hobbyist and do-it-yourself home decorator. As of September 15, 2010, the Company owns and operates 1,037 Michaels stores in 49 states and Canada, and 144 Aaron Brothers stores, and produces ten exclusive private brands including Recollections Studio Decor, Bead Landing, Creatology, Ashland, Celebrate It, Art Minds, Artist's Loft, Craft Smart and Loops & Threads. For more information visit www.Michaels.com.

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