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Iconic Retailer to Introduce New Franchising Program at 2013 National Hardware Show
Sears Hometown and Outlet Stores to Educate Show Attendees on Franchise Opportunities

HOFFMAN ESTATES, Ill. (April 26, 2013) – In an effort to assist hardware store owners with diversifying their revenue streams and answering customer demands for expanded product assortments, Sears Hometown and Outlet Stores, Inc. (NASDAQ: SHOS) is introducing a “mini-showroom” franchise opportunity at the National Hardware Show on May 7-9 at the Las Vegas Convention Center.

Scott Nichols, Director of Franchise Business Development for Sears Hometown and Outlet Stores, Inc., will be exhibiting at the show (*Booth No. 3437*) to discuss the “mini-showroom” and other franchising opportunities offered by the company.

“This show provides the perfect setting for us to reach business owners that are looking for ways to distinguish their hardware store from others in the category,” Nichols said. “Sears Hometown and Outlet Stores is offering an avenue for businesses to do just that through our different franchising programs.”

The “mini-showroom” opportunity is an extension of the Sears Hometown and Outlet Stores’ conventional Home Appliance Showroom model and allows hardware and related category store owners to insert a small showroom with top appliance brands into their existing store.

Sears Hometown and Outlet Stores embraces the practice of “showrooming” that many big-box home improvement, home goods and appliance retailers are running away from. The company is insulated from consumers checking out products in the showrooms and leaving to purchase elsewhere because only Sears sells all of the top 10 appliance brands, including exclusive brands like Kenmore, and guarantees the lowest price on any of those brands. Each showroom is also equipped with an internet kiosk where employees can show customers similar products, price match with other retailers and order products not available in the showroom.

In addition to the showroom business model, Sears Hometown and Outlet Stores also offers franchising opportunities through its Sears Appliance & Hardware Stores and Sears Outlet models. With four different store formats and several franchise opportunities, Sears Hometown and Outlet Stores offers a unique business opportunity with valuable brand recognition for entrepreneurs interested in a scalable model. As the fourth largest appliance retailer in the country, Sears Hometown and Outlet Stores provides franchisees with extensive initial and ongoing training, support, purchasing power, inventory assortment and management and, as may be appropriate, assistance with financing, back-end management, computer systems and marketing. Mr. Nichols will be on site to answer questions about all of the store formats of Sears Hometown and Outlet Stores and to educate attendees about hardware store new development and conversion opportunities.

“We’re also excited about the new, smaller Hardware store franchise opportunity we will be offering to existing owners of either Hardware franchisees or independent store owners,” Nichols added. “This opportunity will give current hardware store owners the chance to add the Sears brand name to their portfolio and benefit from the support and product assortment that we offer.”

For more information about Sears Hometown & Outlet Stores, please visit www.shos.com. To learn about the opportunity to own and operate a Sears Home Appliance Showroom, Sears Appliance & Hardware Store or other formats, please visit www.ownasearsstore.com.

About Sears Hometown and Outlet Stores, Inc.

Sears Hometown and Outlet Stores, Inc. (NASDAQ: SHOS) is a national retailer primarily focused on selling home appliances, lawn and garden equipment, tools and hardware. Sears Hometown and Outlet Stores, Inc. and its dealers and franchisees have stores located in all 50 states and in Puerto Rico and Bermuda.

In addition to merchandise, Sears Hometown and Outlet Stores, Inc. provides consumers with access to a full suite of services, including home delivery, installation and extended service contracts.

Sears Hometown and Outlet Stores, Inc. operates through two segments—the Sears Hometown and Hardware segment and the Sears Outlet segment. The Sears Hometown and Hardware segment's stores are designed to provide customers with in-store and online access to a wide selection of national brands of home appliances, lawn and garden equipment, tools, sporting goods and household goods, depending on the particular store. The Sears Outlet stores are designed to provide customers with in-store and online access to purchase new, one-of-a-kind, out-of-carton, discontinued, obsolete, used, reconditioned, overstocked and scratched and dented products across a broad assortment of merchandise categories, including home appliances, apparel, mattresses, sporting goods, tools and lawn and garden equipment at prices that are significantly lower than manufacturers' suggested retail prices.

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