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sears | HOMETOWN & OUTLET

Sears Hometown and Outlet Stores Breaks into Entrepreneur Franchise 500® at No. 161

National Retail Chain Makes First Appearance on Magazine's Prestigious 35th Annual Franchise List

HOFFMAN ESTATES, Ill. (Jan. 6, 2013) – [Sears Hometown and Outlet Stores, Inc.](#) (NASDAQ: SHOS) has made its first appearance in *Entrepreneur* magazine's 35th Annual Franchise 500® list placing at No. 161.

Noted as the world's first, best and most comprehensive franchise ranking, the Franchise 500 recognized Sears Hometown and Outlet Stores, Inc. for its exceptional performance in areas including financial strength and stability, growth rate, and size of the franchise system. Through its subsidiaries, Sears Hometown and Outlet Stores, Inc. offers four different store formats and three franchise opportunities, Sears Appliance & Hardware Stores, Sears Home Appliance Showrooms and Sears Outlet Stores.

"Placing in the top half of the Franchise 500 in our first year as a public company is truly an honor," said Scott Nichols, Director of Franchise Business Development at Sears Hometown and Outlet Stores, Inc. "Ranking so high on such a prestigious industry list is a testament to our amazing group of franchisees and the success of our controlled national expansion."

The rankings for all 500 companies are determined using an exclusive formula that takes into account objective and quantifiable factors. After the financial data is analyzed by an independent CPA, the franchises are given a cumulative score, and the 500 franchises with the highest scores become the Franchise 500 in ranking order.

Throughout its 35 years in existence, the Franchise 500 has become both a dominant competitive measure for franchisors and a primary research tool for entrepreneurs. Sears Hometown and Outlet Stores, Inc.'s position on the ranking reinforces its strength in the industry.

"Compiling the Franchise 500 every year gives us the opportunity to share data-driven insights, reflect on areas seeing progress and acknowledge the companies that have risen to the top," says Amy Cosper, Vice President and editor in chief of *Entrepreneur*. "Franchises play an important part in economic growth, and the names in the ranking are leading the way with their continued and emerging business success."

Since the franchising of the first Sears Home Appliance Showroom in 2009, Sears Appliance & Hardware Stores, Sears Home Appliance Showrooms and Sears Outlet Stores have grown collectively to more than 165 franchise locations. The three franchise opportunities focus on selling home appliances, hardware, tools, lawn and garden equipment, and more.

For more information about Sears Hometown and Outlet Stores, Inc., including Sears Appliance & Hardware Stores, Sears Home Appliance Showrooms and Sears Outlet Stores please visit www.shos.com. To learn about the opportunity to own and operate a franchise, please visit www.ownasearsstore.com.

Complete results of *Entrepreneur* magazine's Franchise 500® list, including company profiles, can be found at www.entrepreneur.com/franchise500.

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. As of November 2, 2013, Sears Hometown and Outlet Stores, Inc. and its dealers and franchisees operated 1,239 stores across all 50 states as well as in Puerto Rico and Bermuda.

In addition to merchandise, Sears Hometown and Outlet Stores, Inc. provide 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 list prices.

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