

ROULEAU R MICHAEL

Form 4

January 25, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ROULEAU R MICHAEL

(Last) (First) (Middle)

8000 BENT BRANCH DRIVE

(Street)

IRVING, TX 75063

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

MICHAELS STORES INC [MIK]

3. Date of Earliest Transaction
(Month/Day/Year)

01/21/2005

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

President and CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/21/2005		M	V Amount (A) or (D) Price 10,000 A \$ 10.4375	134,380	D	
Common Stock	01/21/2005		S	3,900 D \$ 30	130,480	D	
Common Stock	01/21/2005		S	1,100 D \$ 30.04	129,380	D	
Common Stock	01/21/2005		S	5,000 D \$ 30.3	124,380 ⁽¹⁾	D	
Common Stock					12,127 ⁽²⁾	I	By 401(k) Plan

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10.4375	01/21/2005		M	10,000	(3) 07/27/2005	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROULEAU R MICHAEL 8000 BENT BRANCH DRIVE IRVING, TX 75063			President and CEO	

Signatures

/s/ Elizabeth K. Giddens Elizabeth K. Giddens, Attorney-in-Fact for R. Michael Rouleau,
President and Chief Executive Officer

01/25/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The reported amount includes 24,380 shares of Michaels Stores, Inc. common stock acquired by the reporting person under the Michaels Stores, Inc. Amended and Restated 1997 Employees Stock Purchase Plan (also known as the ESPP), based on a plan statement issued by the ESPP's administrator as of December 31, 2004.

(2) The reported amount is held by a stock fund under the Michaels Stores, Inc. Employees 401(k) Plan (also known as the 401(k) Plan) assumed to be fully invested in Michaels Stores, Inc. common stock, based on a plan statement issued by the 401(k) Plan administrator as of December 31, 2004 as an estimate of the total number of shares that would be available to the reporting person if such holdings were liquidated on that date.

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- Exercise of stock options pursuant to original grant to the reporting person on July 28, 2000 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 400,000 shares of Michaels Stores, Inc. common stock (adjusted to give
- (3) effect to a two-for-one stock split to stockholders of record as of the close of business on each of November 12, 2001 and September 27, 2004). The options associated with this grant vest in three annual installments beginning on July 28, 2001. After giving effect to the transaction that is the subject of this report, 300,000 options remain outstanding under this grant, all of which are currently vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.