Retail Roundup 2008

Contents

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Consumer Sector Specialists
- Commercial Recovery Services
- Business Performance Improvement
- Commercial Due Diligence

contact: enquiry@stepsolutions.co.uk – tel: 07973 714075
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Consumer Indicators - trends which influence and derive from consumer behaviour

Retail Trading Statements - January 2009 (1)

Company		Like for Like %	Like for Like Weeks	Total %	Total Weeks	Period	Comments
Marks & Spencer	Total Group		13	-1.2%	13	Jan wk 1	
	UK Retail	-7.1%		-3.4%			
	Fashion	-8.9%		-6.5%			
	Home			1.0%			
	Food	-5.2%		-1.1%			
	On Line			29.0%			
House of Fraser		-1.5%	5				
Next	Group		21	-1.9%	21	Jan wk 1	
	Retail	-7.0%		-3.0%			
	Directory			1.1%			
Debenhams		-3.0%	12	1.1%	12	Jan wk 1	
New Look		2.8%	14	14.5%	14	Jan wk 1	
Co-Op		6.0%	3			Jan wk 1	
Dunelm		-5.6%	18			Jan wk 1	
Sainsbury's		4.5%	13			Jan wk 1	
Ted Baker				7.2%	8	Jan wk 1	
Peacocks		1.0%	14			Jan wk 1	
Mosaic				1.2%	23	Jan wk 1	
Jessops		3.1%	5			Jan wk 1	
		-5.6%	14				
JD Sports		2.8%	5			Jan wk 1	
		3.8%	48				
Land of Leather	Nov 2nd			-47.0%	13	Nov 2nd	In administration
Poundland		3.9%	5	23.3%	5	Jan wk 1	
Argos		-7.5%	18	-3.6%	18	Jan 3rd	
		-5.3%	44	-1.3%	44		
Homebase		-10.2%	18	-3.8%	18	Jan 3rd	
		-10.2%	44	-3.2%	44		
Tesco	UK Retail	2.5%	7	11.6%	7	Jan 10th	
	Web			18.0%			
Halfords		-7.8%	13	-5.8%	13	26th Dec	
		-3.4%	26	-1.1%	26		

Highlights

M&S online +29%
HoF -1.5%
New Look +2.8%
Poundland +3.9%

Lows

M&S Fashion -8.9%
Argos -7.5%
Homebase -10.2%
Halfords -7.8%

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Retail Trading Statements - January 2009 (2)

Company		Like for Like		Total		Period	Comments
		%	Weeks	%	Weeks		
Primark				18.0%	16	Jan 3rd	
DSGI	Group	-10.0%	12	-1.0%	12	10th Jan	
		2.0%	2		2		
Clinton Cards		-4.1%	5			4th Jan	
		-5.7%	23				
N Brown				8.8%	19	10th Jan	
Alliance Boots		1.9%	13			31st Dec	
Fat Face		3.0%	5			3rd Jan	
Mothercare		1.1%		4.2%	13	9th Jan	
	Direct to Home			15.6%			
Best Buy - Europe				8.3%	13	27th Dec	
JJB Sports	Total Group	-6.8%	5			11th Jan	
	Retail	-8.0%	5				
Carphone Warehouse	Group	6.5%	13	13.0%	13	27th Dec	
	UK Retail	8.3%					
HMV Group	Group	0.5%	10	2.9%	10	3rd Jan	
	UK Retail	3.0%	5	5.8%	5	3rd Jan	
	Waterstones	-2.0%	10	-0.9%	10		
Morrison's		9.5%	6			6th Jan	
N Brown				8.8%	19	10th Jan	
	Online Growth			34.0%	19		
	Online % of Sales			35.0%	19		
Kesa	Comet	-2.5%		-0.4%	9	8th Jan	
	Group	-5.5%		-2.2%	9		
WH Smith	Group	-7.0%	9	0.0%	9	17th Jan	
	High Street	-7.0%	20		20		
Game Group plc	UK	10.0%		16.3%	6	10th Jan	
	Total	5.4%		16.6%	6		
Alexon		-10.5%	23				

Highlights

Primark +18%
Mothercare Direct +15.6%
N Brown +8.8%
Carphone W/H (uk) +8.3%
Morrisons +9.5%
Game +10.0%
HMV (uk) +3.0%

Lows

DSG -10.0%
JJB -6.8%
Alexon -10.5%
WH Smith -7.0%

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Consumer Indicators – 2008 Roundup

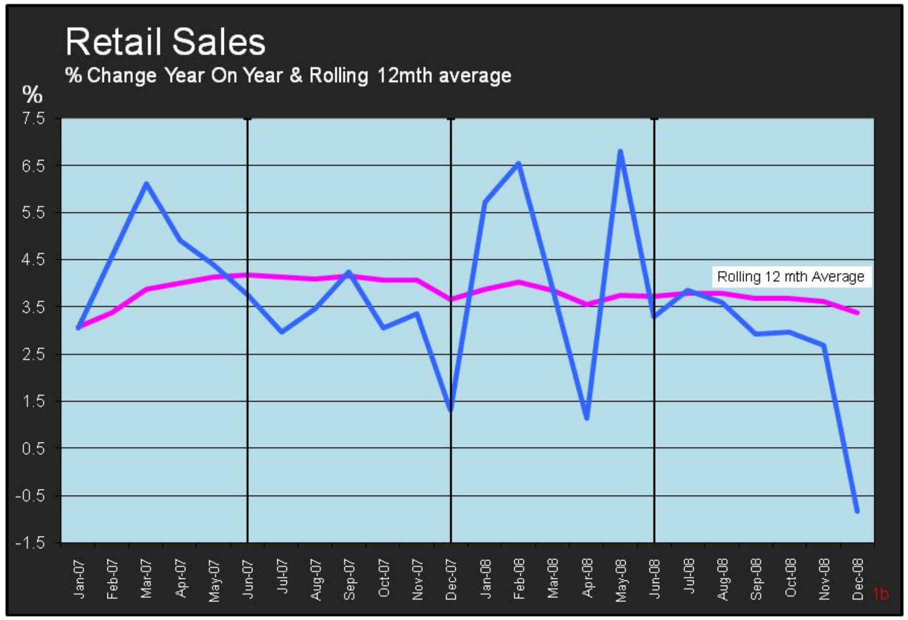
The ONS shows retail sales growth (NOT seasonally adjusted) in December experiencing a marked drop, shown on the graph.

The seasonally adjusted numbers for December show:-

	Value	Volume
Food	+5.5%	+0.8%
Non Food	-0.8%	+3.9%

This continues the trend seen Q3 and 4 of 2008 where Food is benefiting from inflation and Non Food is driving volume at lower prices

As shown on retailer trading statements in this set and validated by John Lewis numbers the Home related product categories are suffering most.



Retail Sales Data - seasonally adjusted

Source ONS

	Value growth			Volume Growth		
	Food	Non Food	All	Food	Non Food	All
	% on Prior Year			% on Prior Year		
Jan	5.0	5.2	5.3	2.0	8.3	6.3
Feb	5.8	3.5	4.8	3.0	5.9	5.3
Mar	4.5	1.0	2.8	1.8	4.2	4.0
Apr	3.8	0.6	2.3	0.6	3.9	3.3
May	8.6	6.3	7.4	4.4	9.2	7.1
Jun	5.9	-0.7	2.6	1.4	1.3	2.2
Jul	7.1	0.5	3.5	1.4	2.4	2.5
Aug	5.4	1.7	3.7	-0.1	4.1	3.0
Sep	5.6	-1.0	2.4	0.0	2.0	2.0
Oct	6.6	-2.1	2.3	1.4	0.8	1.9
Nov	6.5	-2.5	2.0	1.3	0.6	1.7
Dec	5.5	-0.8	2.8	0.8	3.9	3.8

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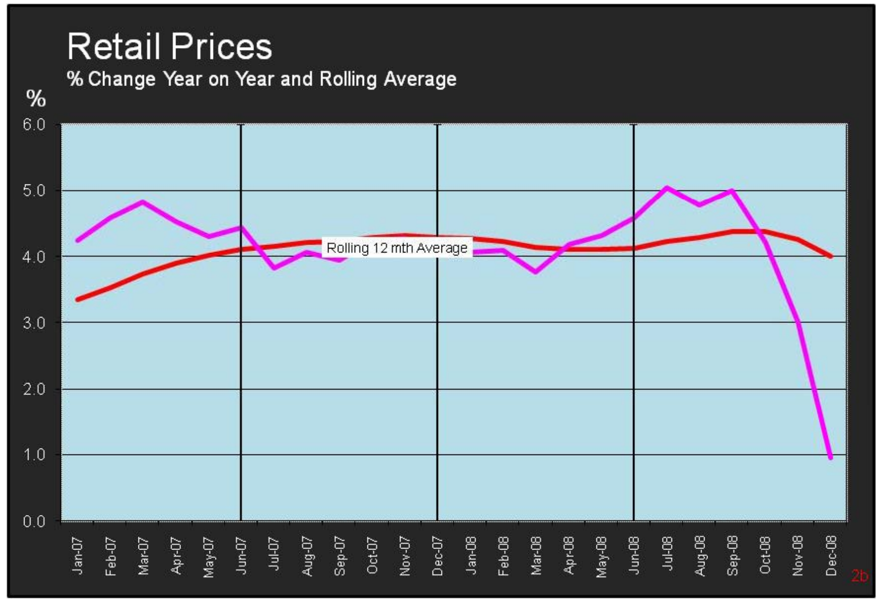
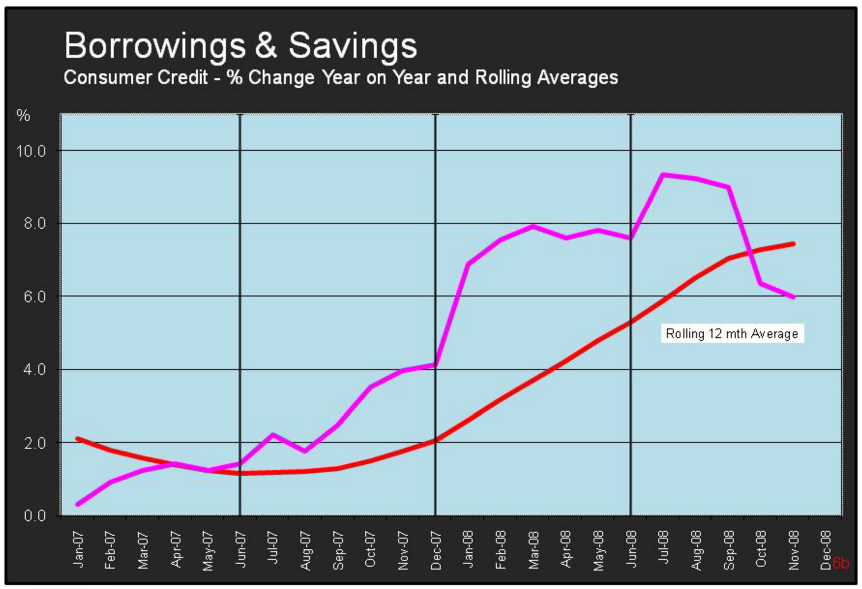
Consumer Indicators – 2008 Roundup

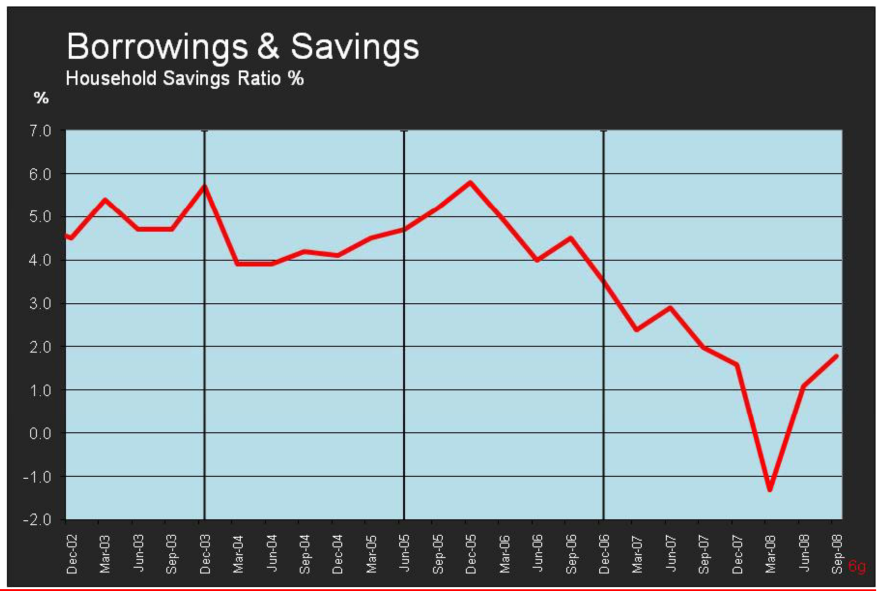
Retail Prices
The RPI (as opposed to the publicised CPI) dropped to just 1% in December

Consumer Credit (non property)
Whilst still increasing on the prior year, the rate of increase has now fallen three months in a row

Household Savings (Q3)
In the most recent reported quarter (3) the household savings ratio remains below 2% against an historical level of 5%.







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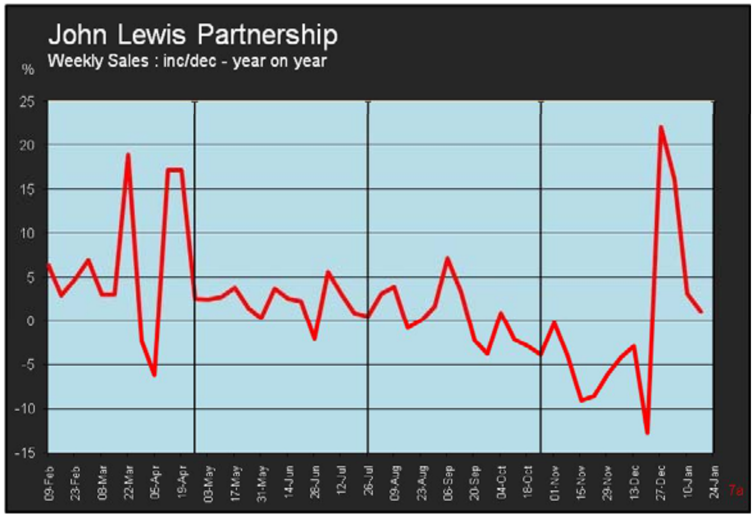
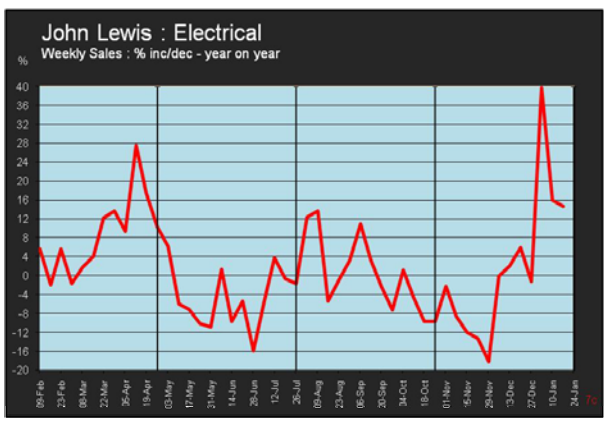
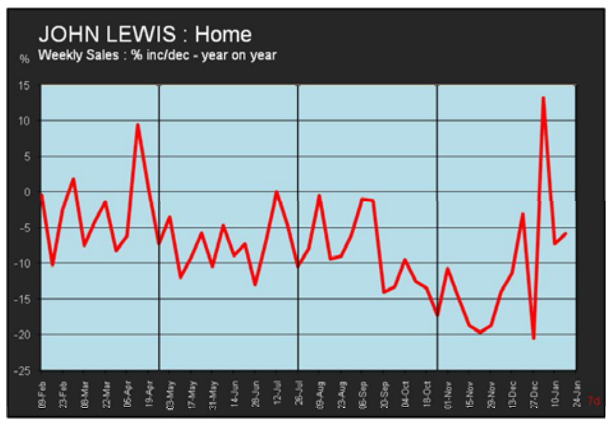
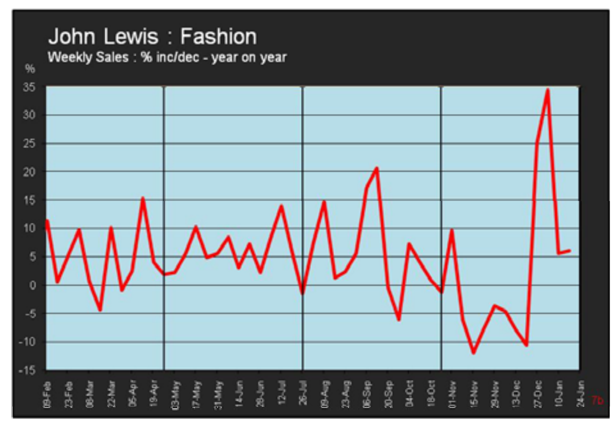
John Lewis into January 2009



Week	£m 2008-09	P'ship %	Fashion %	Elect %	Home %	£m 2008-09	Food(W) %
01-Nov	134.3	(0.3)	9.6	(2.2)	(10.7)	76.9	0.4
08-Nov	134.7	(4.1)	(6.0)	(8.5)	(14.8)	76.9	0.6
15-Nov	136.7	(9.1)	(11.9)	(12.0)	(18.7)	75.2	(4.6)
22-Nov	145.5	(8.6)	(7.7)	(13.2)	(19.6)	77.1	(4.0)
29-Nov	155.9	(6.1)	(3.7)	(18.1)	(18.7)	81.0	1.5
06-Dec	173.1	(4.2)	(4.6)	(0.1)	(13.9)	83.2	(1.5)
13-Dec	188.4	(3.0)	(7.8)	2.1	(11.4)	93.1	0.5
20-Dec	201.3	(12.8)	(10.6)	5.9	(3.1)	104.5	(19.7)
27-Dec	182.3	22.0	25.0	(1.2)	(20.5)	111.3	40.5
03-Jan	159.8	16.1	34.4	39.7	13.2	81.2	7.0
10-Jan	130.2	3.1	5.6	15.9	(7.3)	75.6	2.7
17-Jan	122.3	1.0	6.0	14.7	(5.8)	74.0	(0.8)
24-Jan	121.1	0.1	1.7	12.8	(13.1)	76.6	2.1







John Lewis weekly trading into January 09 shows there is a market for good retailers. Home is struggling due to the market.
Food being effected by value move to down market and Sainsbury performance.
Electrical & Technology is strong with Fashion respectable in this climate.

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Retail Failures – Autumn 2009 to January 2009

Retail Re-structuring and Failures - October 2008 - 2009

Company	Sector	Company	Sector
Motor World	Car Accessories	New Heights	Furniture
Adams	Clothing - Children	SCS	Furniture
Hardy Amies	Clothing - Fashion	Beds Direct	Furniture
Ghost	Clothing - Fashion	Land of Leather	Furniture
Mk One	Clothing - Value	Ilva	Furniture
Officers Club	Clothing - Men	MFI	Furniture
Viyella	Clothing - Fashion	Woolworths	General Merchandise
Miss Sixty UK	Clothing - Fashion	Roseby's	Home Furnishings
Marchpole	Clothing - Value	Zavvi	Music
Mikey	Clothing - Fashion	Wrapit	Gifts - On Line
Joy	Clothing - Fashion	Dolcis	Shoes
MA International	Clothing - Value	Stead & Simpson	Shoes
Lucia	Clothing - Fashion	Faith	Shoes
Allegra Hicks	Clothing - Fashion	Whittards	Tea / Coffee
Empire Direct	Consumer Elctronics	Stylo	Shoes

Since the Autumn of 2008 a total of 30 significant retailers have failed, the majority being in the very competitive clothing (inc shoes) sector. The Furniture sector following with 7 failures.

- **Clothing and Shoes 17 companies**
- **Furniture 7 companies**
- **Other 6 companies**

- **Total 30**