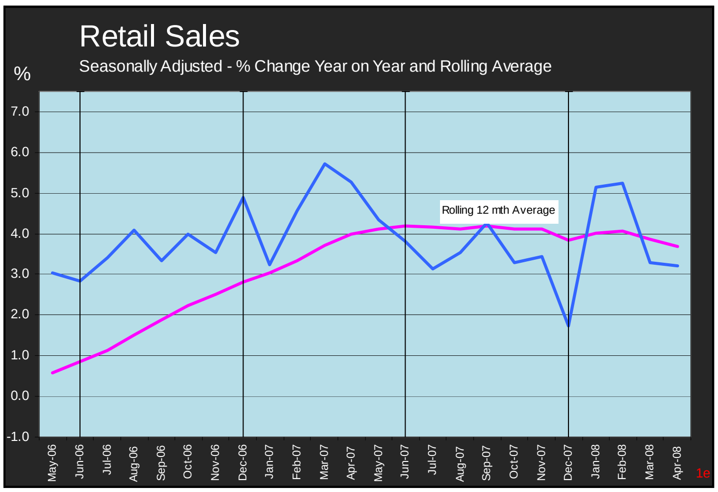
Food and non food sales trends diverging

Food sector sales sustained by inflation
-non food on a declining trend



When compared to prior year (2007) the total value of Retail Sales was 1.9% higher in April 2008 on an non-seasonally adjusted (NSA) and 3.2% higher when seasonally adjusted (SA). The latter providing the more realistic picture.

When those stores selling predominantly food are split out from the total a more indicative year on year trend is revealed.

	Predominantly Food		**Other Retail**		**All**	
	Value	**Volume**	**Value**	**Volume**	**Value**	**Volume**
Jan	4.9%	2.1%	5.0%	8.3%	5.2%	6.3%
Feb	5.9%	3.6%	3.6%	6.0%	5.4%	5.7%
Mar	4.7%	2.3%	1.9%	5.1%	3.3%	4.7%
Apr	3.9%	1.0%	1.7%	5.1%	3.2%	4.2%

As can be seen the value of retail sales is holding up in the **food sector** despite volume being relatively flat (1.0%) in April. The value growth is being driven mainly by inflation resulting from higher prices of oil, wheat, dairy, rice etc.

Value sales in the **non food sector** is now beginning to show significant decline whilst volume is growing which will in turn impact costs.

Growth in quarterly **all retail sales** values, against 12 months ago, dipped by almost 1% in the 3 months to April as against the 3 months to March.

All Retail (seasonally adjusted)   from 4.5% to 3.6%

Digesting these trends, it could be said that that the food sector is currently "enjoying" the supply chain inflationary pressures.