

Grant Thornton REI Irish Retail Industry Productivity Review Q1 2016



FOOTWEAR
FURNITURE & FLOORING
HOT BEVERAGE
GIFT & HOME
GROCERY
LADIES FASHION
PHARMACY
GARDEN CENTRES
MENSWEAR
JEWELLERY
CONSUMER ELECTRONICS
HOME APPLIANCES
PHOTO (CAMERAS)
COMPUTING

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INTRODUCTION:

The Grant Thornton Retail Excellence Ireland Retail Productivity Review provides the most in-depth retail industry and sectoral analysis available today. The Review monitors overall industry performance and sectoral performance. The Review aggregates and analyses data from over 4,500 retail stores in Ireland. REI collated data through on-line survey. GfK collated data through “plug-in” to retailer Epos.

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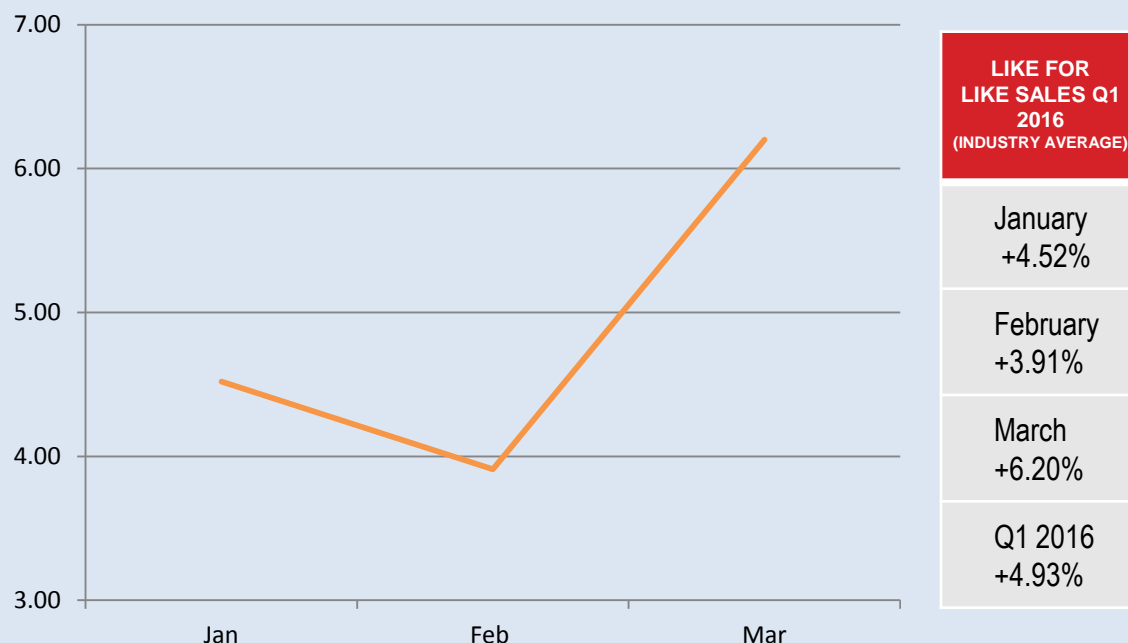
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Retail Industry Like for Like Sales Q1 2016

REI CEO David Fitzsimons comments: Whilst Q1 2016 proved a productive quarter led primarily by strong grocery growth, there is concern that much of the lift in March 2016 was driven by Easter falling in the month rather than the fundamentals of a sound recovery. Highlights over the period included reasonable growth in all Fashion and Footwear sectors and a robust performance in Gift & Homeware. Hot Beverage sales growth proved that footfall was strong over the period, that said it would seem that this did not translate into a similar level of consumer activity. A real concern is the downward trajectory of Furniture & Flooring pointing to a dysfunctional housing market. With the March Easter helping to lift sales it is most likely that April 2016 will trade behind the same month in 2015, and especially so should a Government not be formed in the month.

Like for Like Sales Q1 2016 v's Q1 2015 (Industry Average)

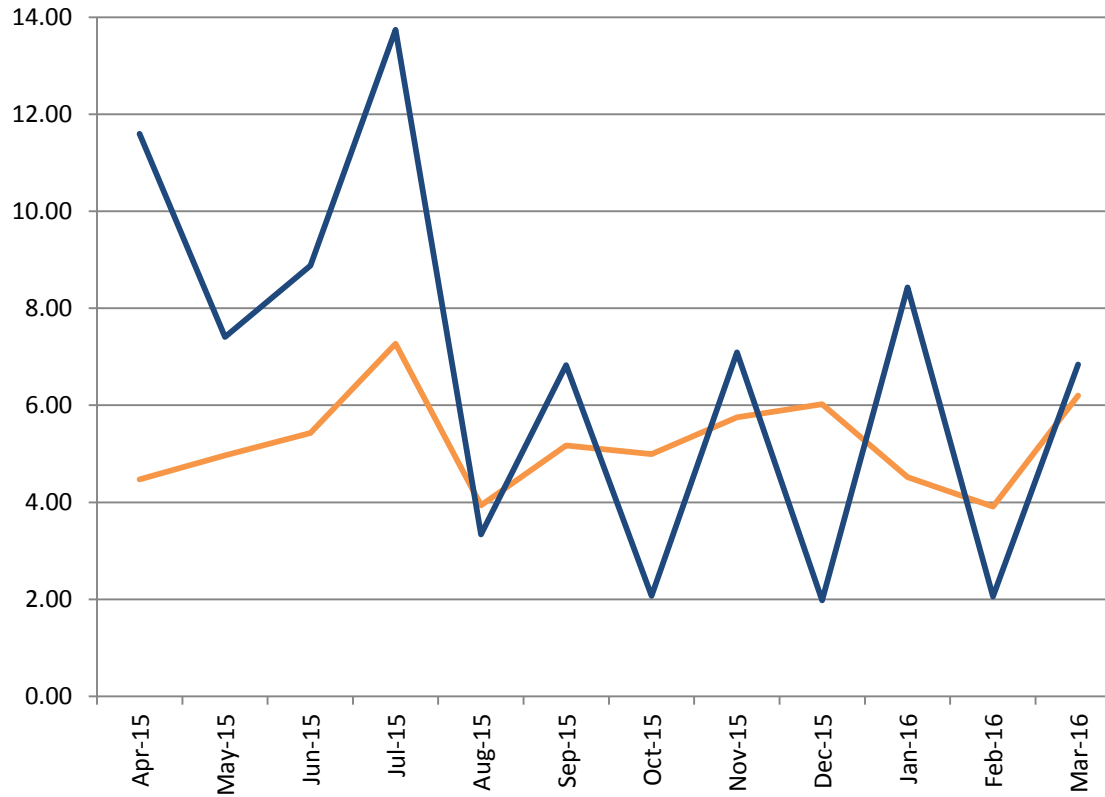


LIKE FOR LIKE SALES Q1 2016 V Q1 2015

Industry Average	+4.93%
Footwear	+5.93%
Furniture & Flooring	+1.83%
Garden Centres	+5.26%
Gift & Homeware	+8.54%
Grocery	+3.64%
Hot Beverage	+8.38%
Jewellery	+3.11%
Ladies Fashion	+5.56%
Menswear	+11.84%
Pharmacy	+4.83%
Childrenswear	+7.74%
Agri Retail	+6.26%
Health Stores	-1.31%
Consumer Electronics (Brown Goods)	-6.00%
Home Appliances (Small)	-0.20%
IT Computing	-3.30%
Digital Camera	-24.00%
Home Appliances (Major)	+9.80%

Footwear Sales - Q1 2016

Comparable with Retail Industry Average

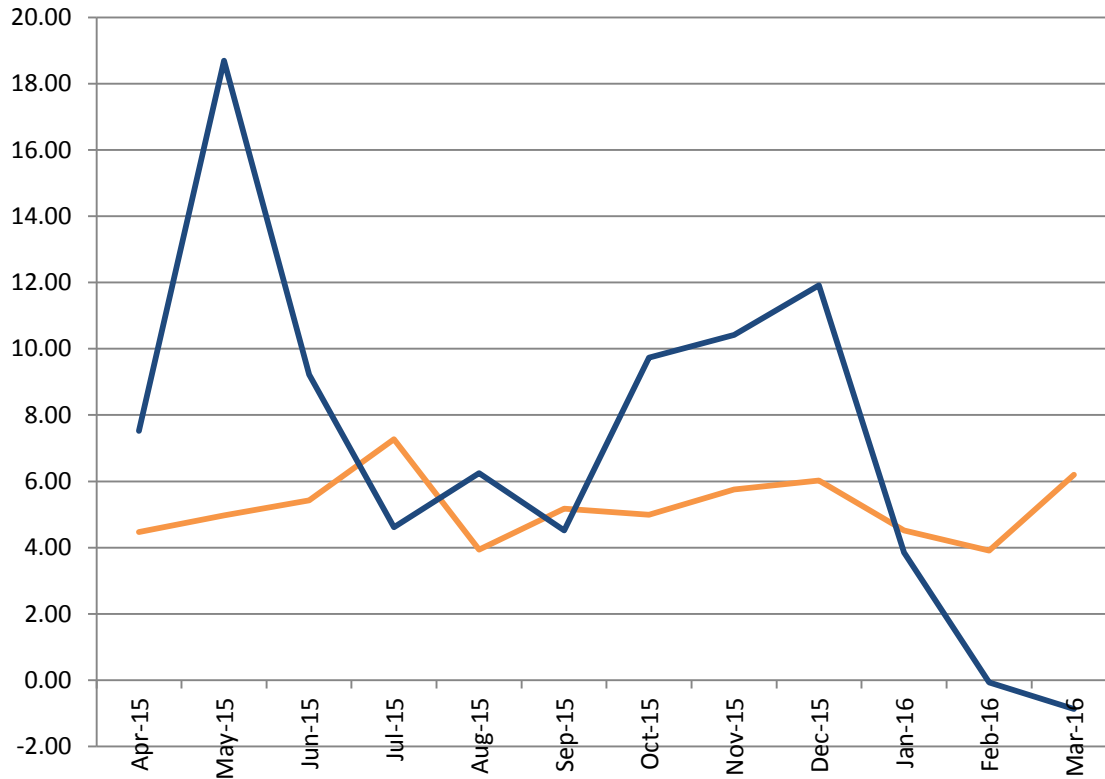


— Like For Like Sales Q1 2016 (Industry Average)
— Footwear Sales

2016	FOOTWEAR SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+8.43%	+4.52%
February	+2.06%	+3.91%
March	+6.84%	+6.20%
Q1 2016	+5.93%	+4.93%

Furniture & Flooring Sales - Q1 2016

Comparable with Retail Industry Average

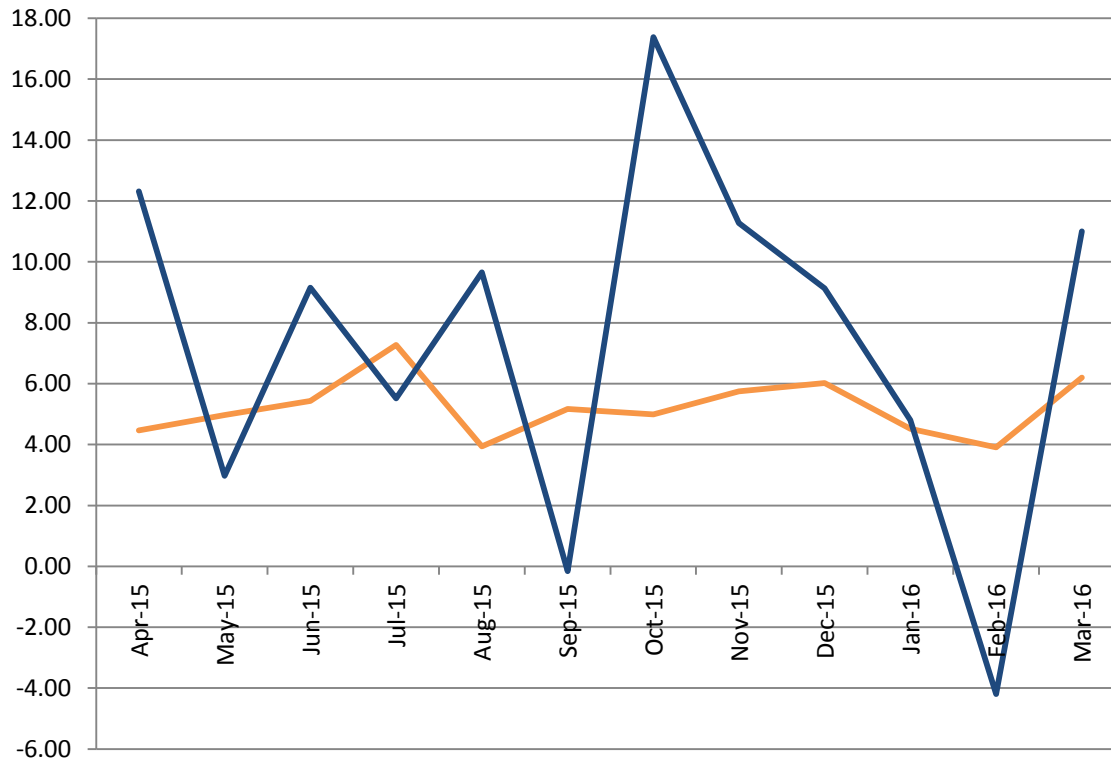


— Like For Like Sales Q1 2016 (Industry Average)
— Furniture & Flooring Sales

2016	FURNITURE & FLOORING SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+3.85%	+4.52%
February	-0.07%	+3.91%
March	-0.87%	+6.20%
Q1 2016	+1.83%	+4.93%

Garden Centre Sales - Q1 2016

Comparable with Retail Industry Average

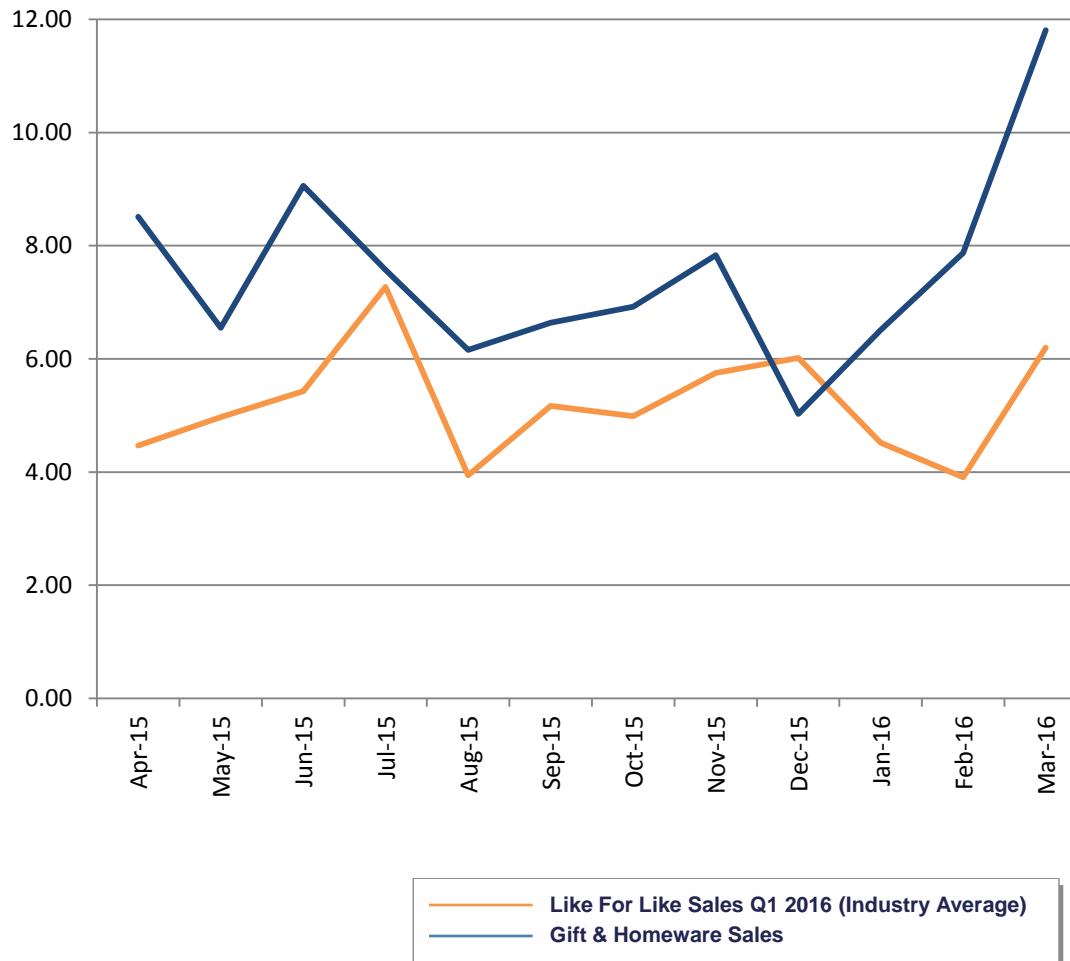


— Like For Like Sales Q1 2016 (Industry Average)
— Garden Centre Sales

2016	GARDEN CENTRE SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+4.80%	+4.52%
February	-4.19%	+3.91%
March	+11.00%	+6.20%
Q1 2016	+5.26%	+4.93%

Gift & Homeware Sales - Q1 2016

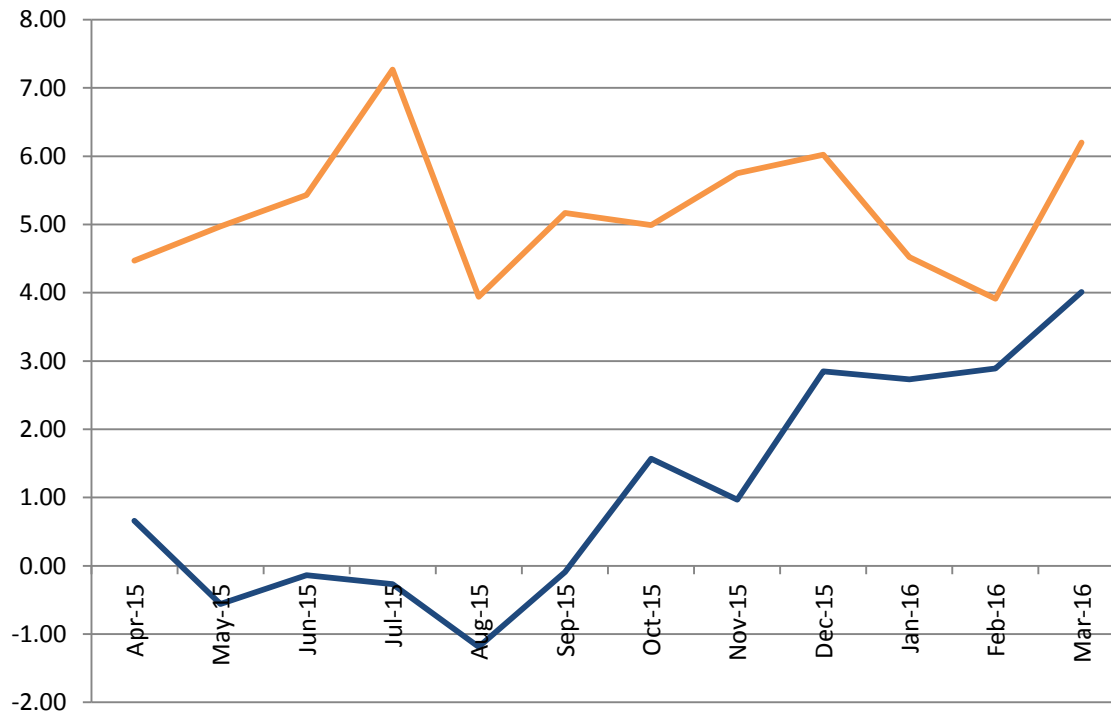
Comparable with Retail Industry Average



2016	GIFT & HOMEWARE SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+3.29%	+4.52%
February	+7.87%	+3.91%
March	+11.81%	+6.20%
Q1 2016	+8.54%	+4.93%

Grocery Sales - Q1 2016

Comparable with Retail Industry Average

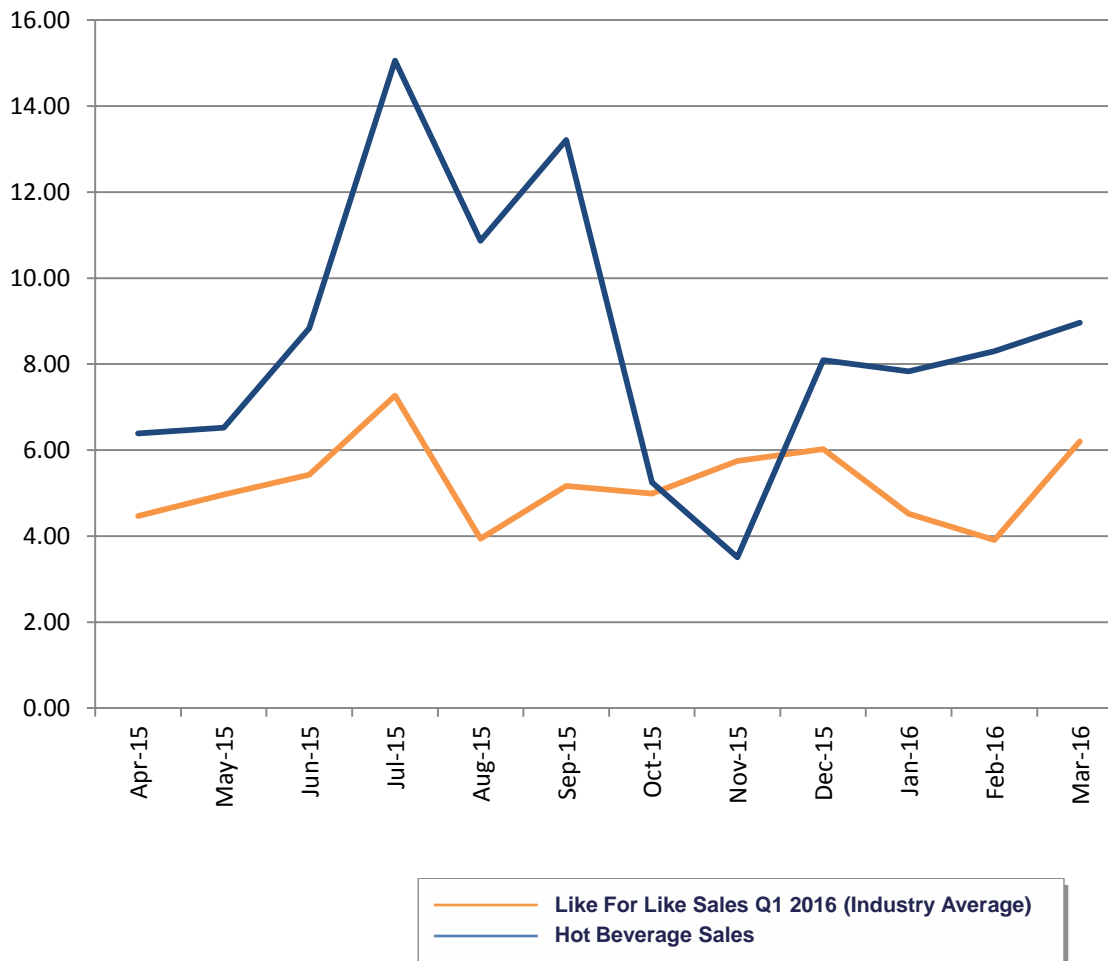


— Like For Like Sales Q1 2016 (Industry Average)
— Grocery Sales

2016	GROCERY SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+2.73%	+4.52%
February	+2.89%	+3.91%
March	+4.01%	+6.20%
Q1 2016	+3.64%	+4.93%

Hot Beverage Sales - Q1 2016

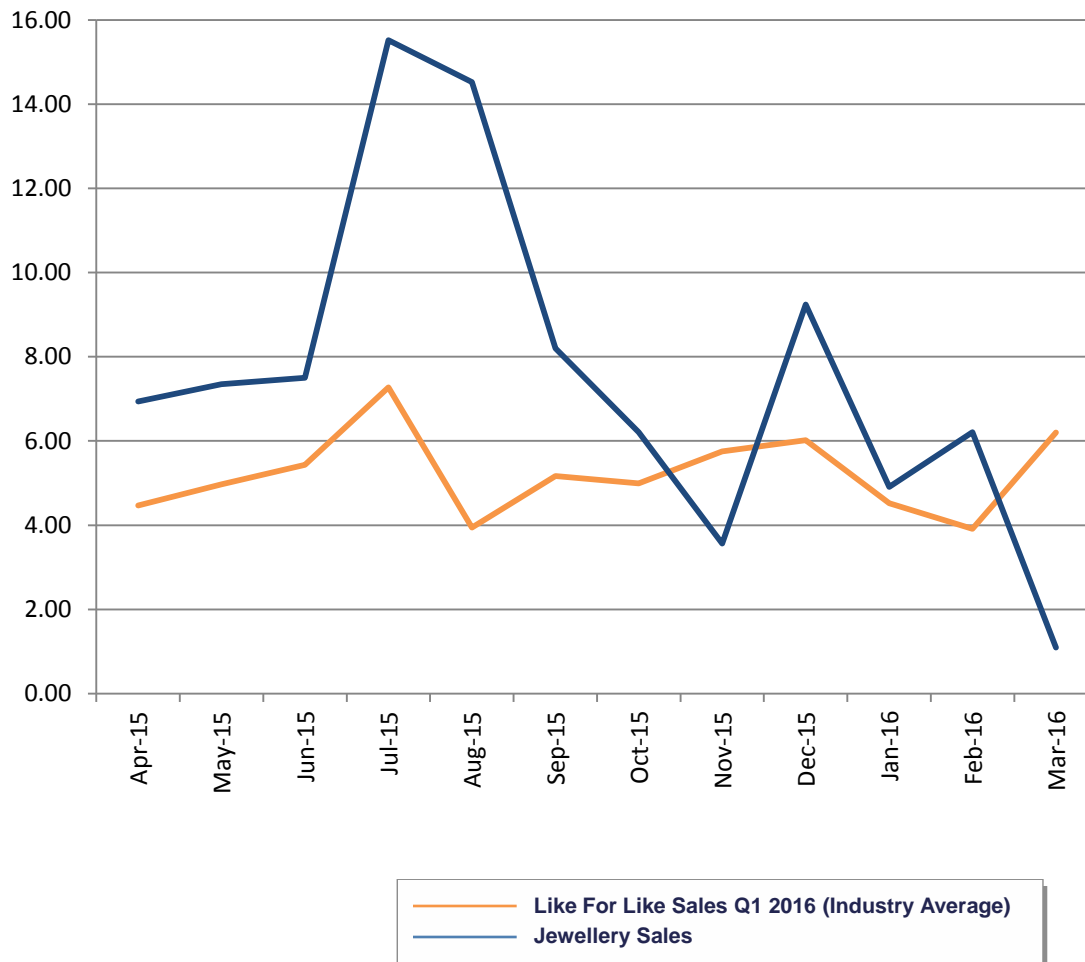
Comparable with Retail Industry Average



2016	HOT BEVERAGE SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+7.83%	+4.52%
February	+8.30%	+3.91%
March	+8.96%	+6.20%
Q1 2016	+8.38%	+4.93%

Jewellery Sales - Q1 2016

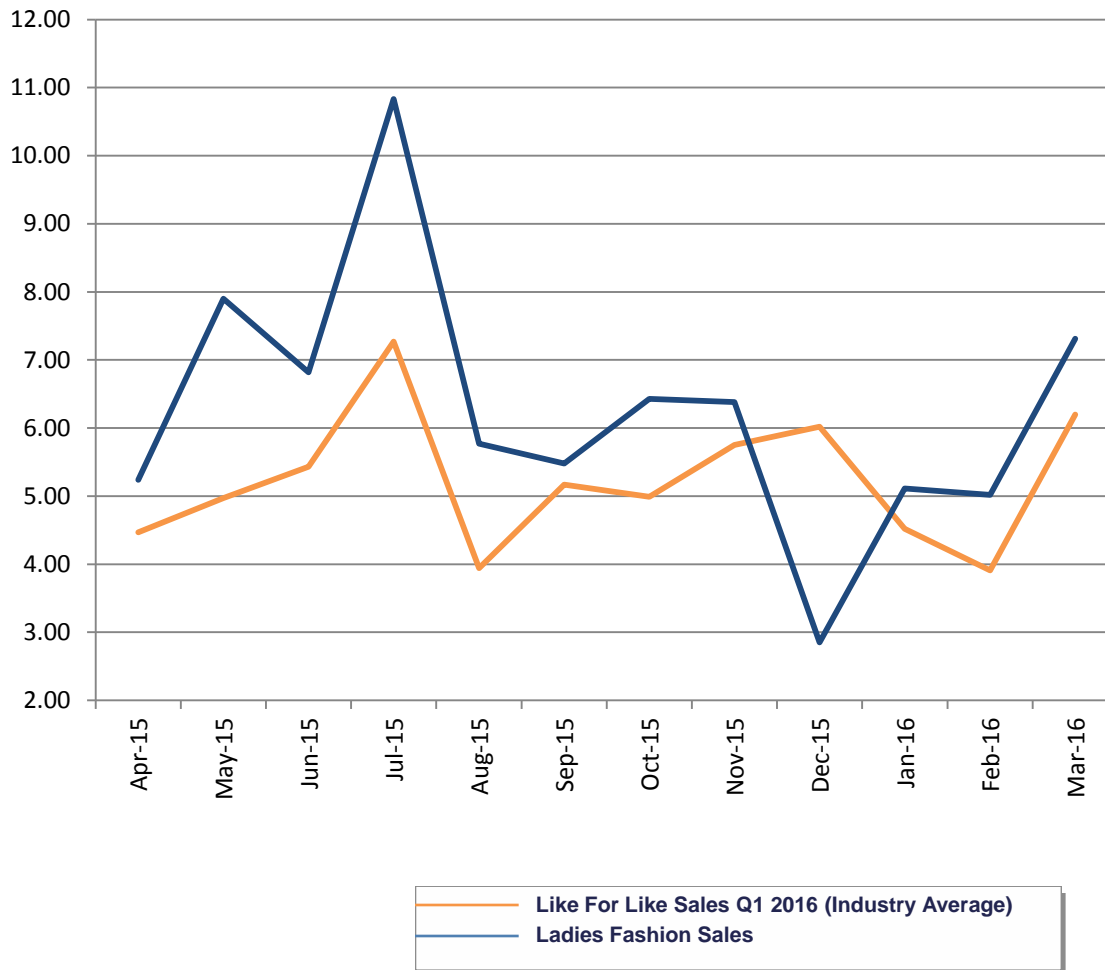
Comparable with Retail Industry Average



2016	JEWELLERY SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+4.91%	+4.52%
February	+6.21%	+3.91%
March	+1.09%	+6.20%
Q1 2016	+3.11%	+4.93%

Ladies Fashion Sales - Q1 2016

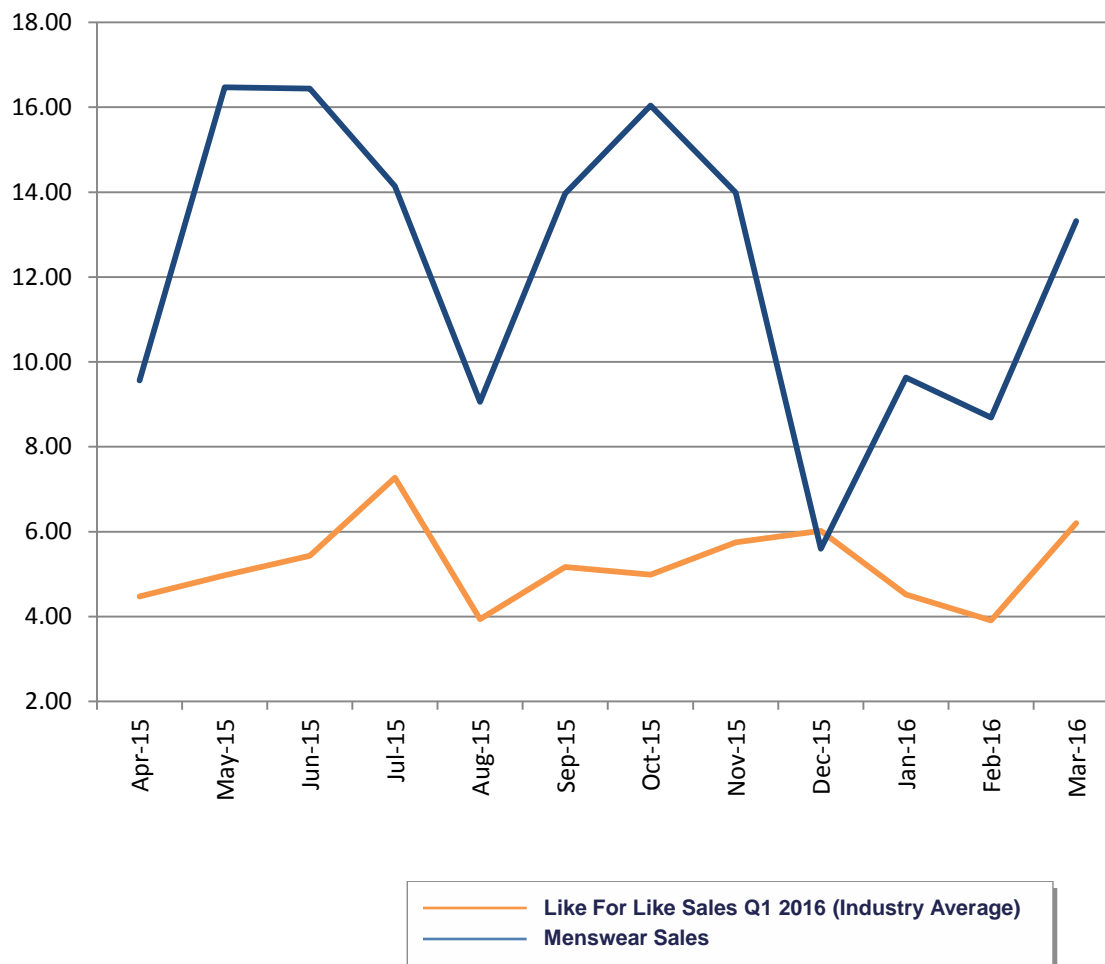
Comparable with Retail Industry Average



2016	LADIES FASHION SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+5.11%	+4.52%
February	+5.02%	+3.91%
March	+7.31%	+6.20%
Q1 2016	+5.56%	+4.93%

Menswear Sales - Q1 2016

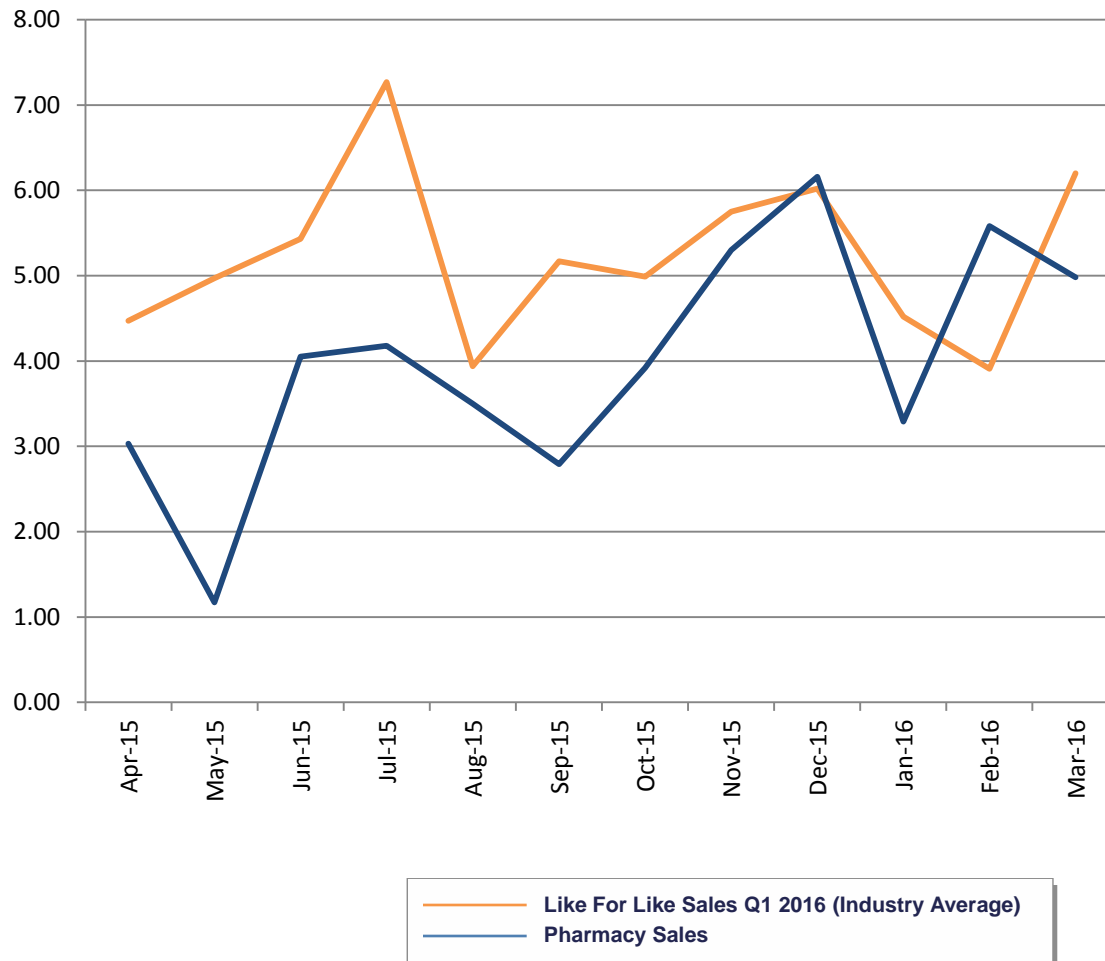
Comparable with Retail Industry Average



2016	MENSWEAR SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+9.63%	+4.52%
February	+8.69%	+3.91%
March	+13.32%	+6.20%
Q1 2016	+11.84%	+4.93%

Pharmacy Sales - Q1 2016

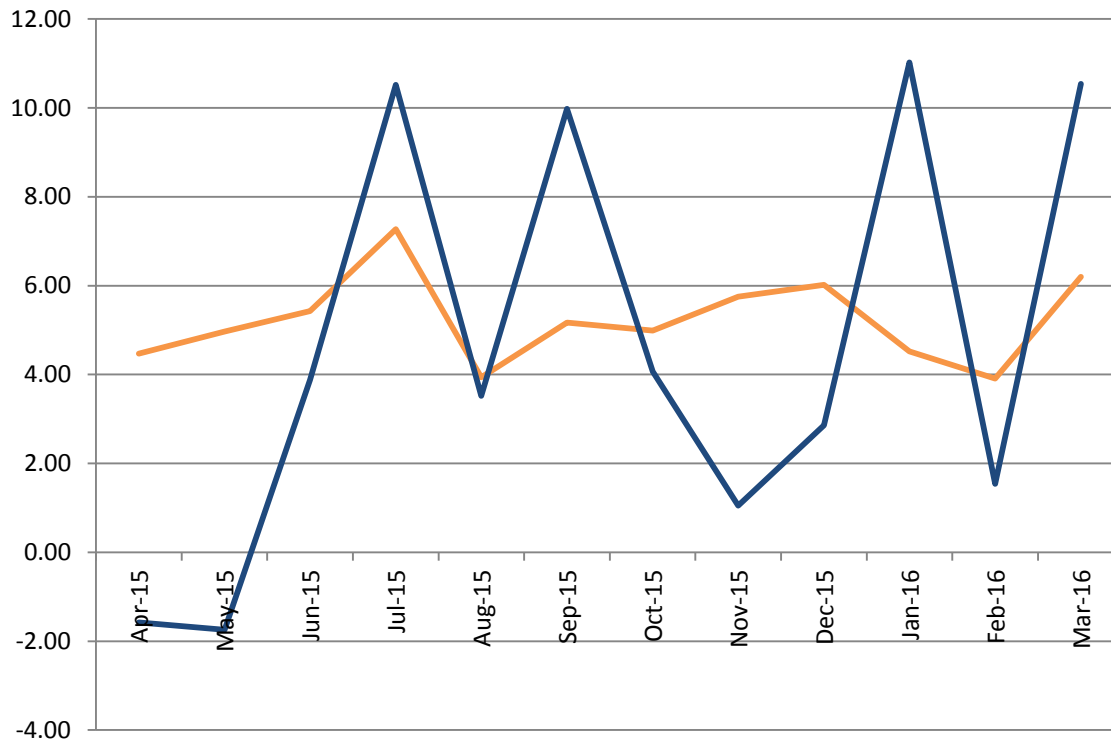
Comparable with Retail Industry Average



2016	PHARMACY SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+3.92%	+4.52%
February	+5.58%	+3.91%
March	+4.98%	+6.20%
Q1 2016	+4.83%	+4.93%

Childrenswear Sales - Q1 2016

Comparable with Retail Industry Average

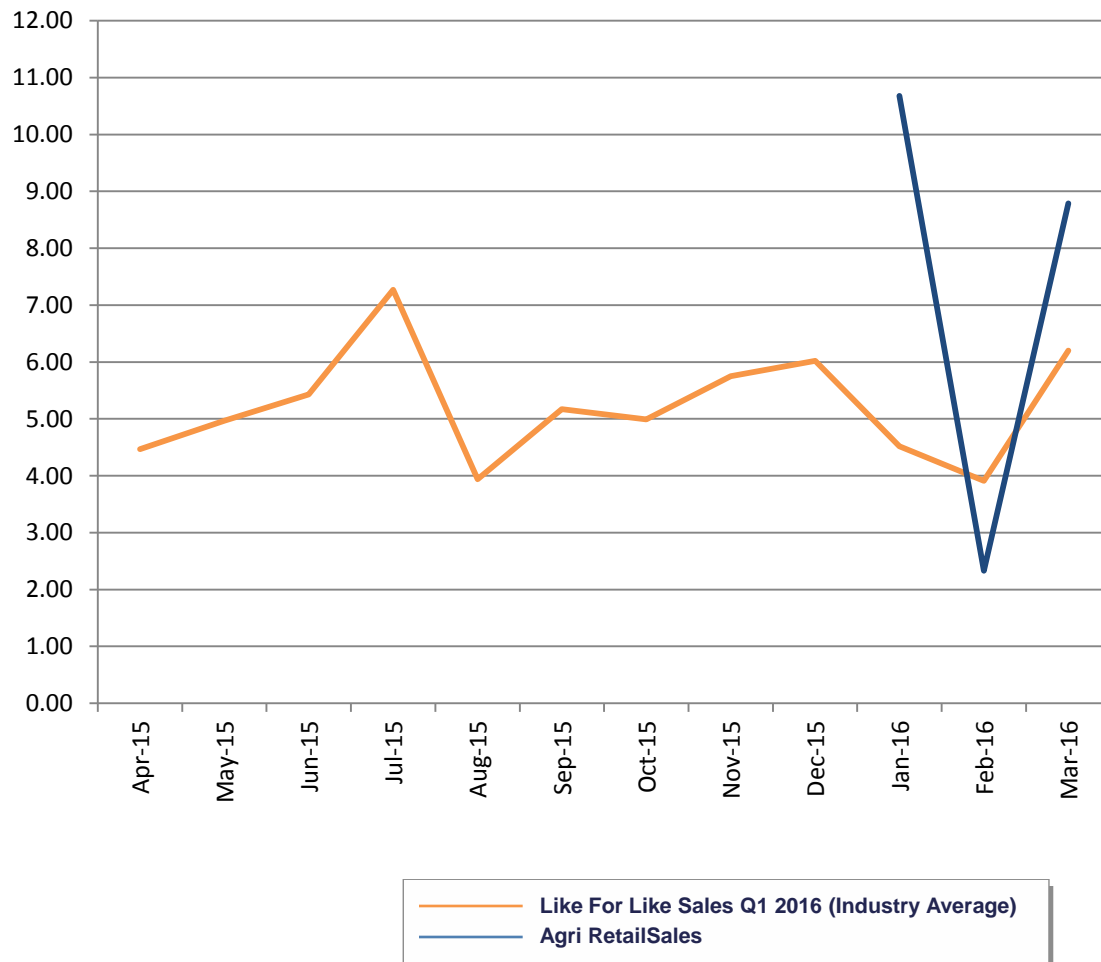


— Like For Like Sales Q1 2016 (Industry Average)
— Childrenswear Sales

2016	CHILDRENSWEAR SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+11.02%	+4.52%
February	+1.54%	+3.91%
March	+10.54%	+6.20%
Q1 2016	+7.74%	+4.93%

Agri Retail Sales - Q1 2016

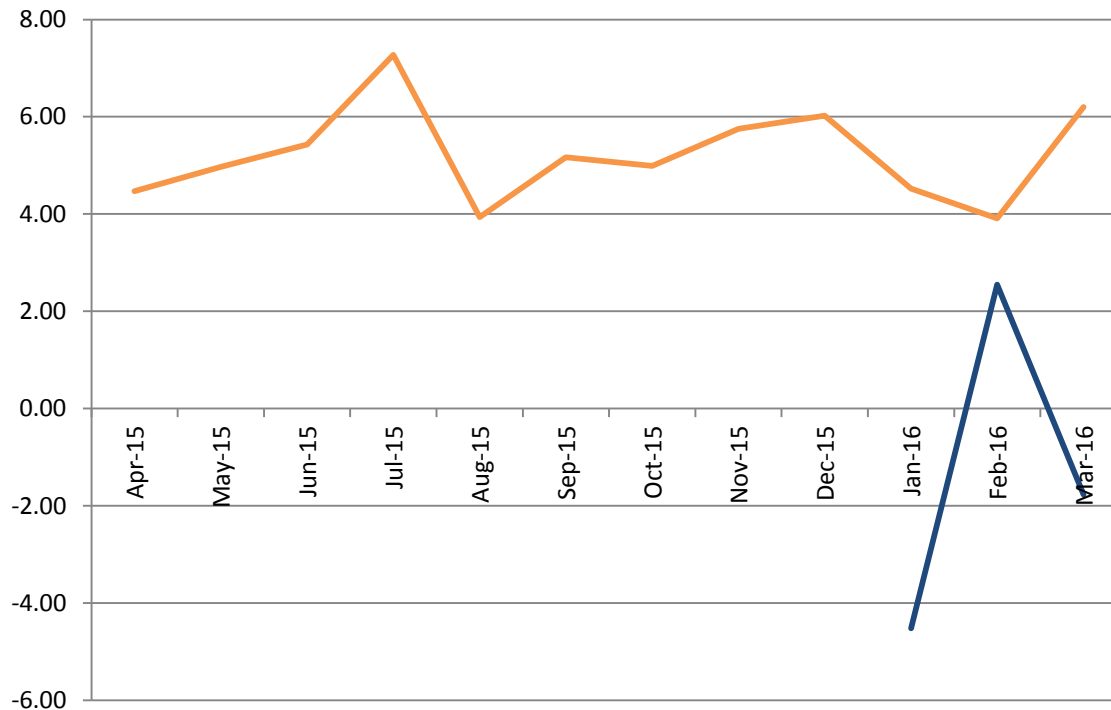
Comparable with Retail Industry Average



2016	AGRI RETAIL SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	+10.68%	+4.52%
February	+2.33%	+3.91%
March	+8.79%	+6.20%
Q1 2016	+6.26%	+4.93%

Health Store Sales - Q1 2016

Comparable with Retail Industry Average



— Like For Like Sales Q1 2016 (Industry Average)
— Health Store Sales

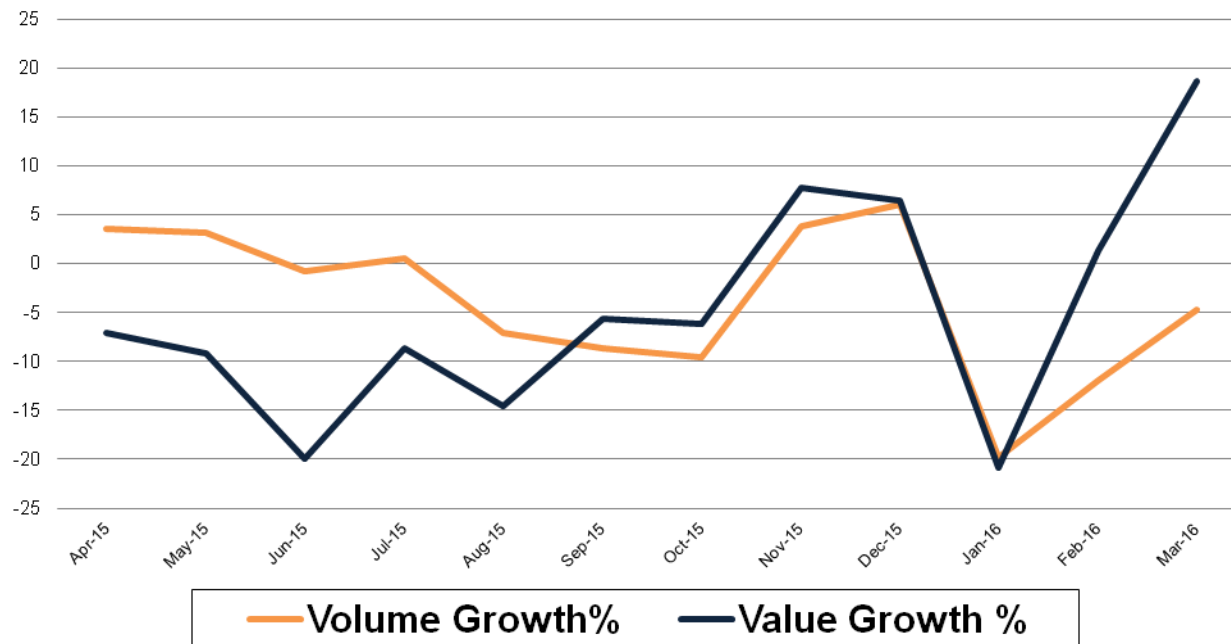
2016	HEALTH STORE SALES	LIKE FOR LIKE SALES Q1 2016 (INDUSTRY AVERAGE)
January	-4.52%	+4.52%
February	+2.55%	+3.91%
March	-1.77%	+6.20%
Q1 2016	-1.31%	+4.93%

Consumer Electronics (Brown Goods) Sales - Q1 2016

Value and Volume performance Year on Year - Figures include: Audio Systems, DVD Players, Portable Media Players (MP3/4), Flat TV & Radio Devices (Table Top), Headphones, Docking Speakers, Loudspeakers

Commentary from Nick Simon, CE Account Director, GfK:

After a very strong Black Friday fueled performance in November and an inflated December (5 weeks in 2015 vs 4 weeks in 2014), the decline in the first two months of 2016 was to be expected. However, March showed a recovery in value courtesy of TV (Smart TVs & an uplift for ultra high definition products again) and audio systems (multi-room and connected audio systems). For TVs this was not enough to offset the decline seen in January and February so there was still a slight value decline for total CE in the first quarter of 2016. Of particular interest is the continued growth in the quarter of Docking (especially wireless) speakers and Headphones (the success of more and more high priced Bluetooth products is a distinct advantage). Sadly, the decline of Portable Media Players, DVD and Blu-ray continued, but the 2015/2016 turnover of Radio Devices was pretty consistent.



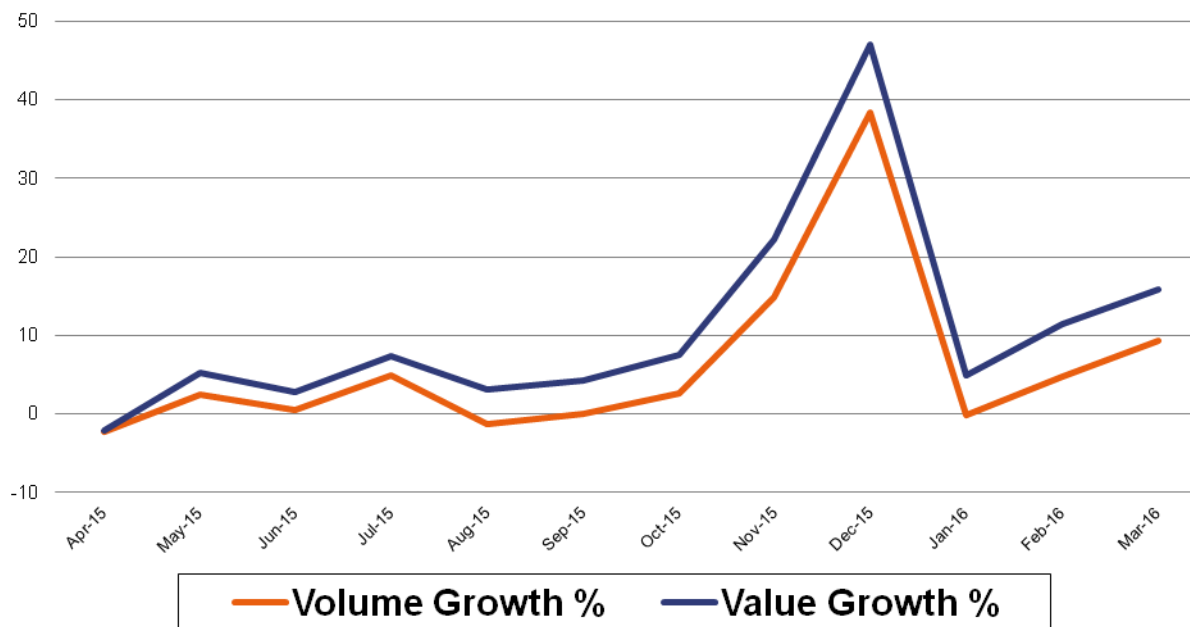
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
January	-21.00%	-20.00%
February	+1.00%	-12.00%
March	+19.00%	-5.00%
Q1 2016	-6.00%	-4.00%

Home Appliances (Major Appliances) Sales - Q1 2016

Value and Volume performance Year on Year (includes washing machines, tumble dryers, dishwashers, cooling, freezers, cooking, hobs, hoods and microwaves)

Commentary from Richard Allen, Account Manager, Home Appliances, GfK:

Major domestic appliances continued to rise in Q1 with a 10% uplift in value sales. This growth comes despite the additional week in 2015 bringing early January sales into our December 2015 figures, rather than in January as per previous years. All categories have improved on last year with tumble dryers (+19%), freestanding cookers (+18%) and built in ovens (+15%) all recording double digit growth. With unit sales only rising 4%, this sizeable rise in value illustrates the rise in more premium products. Energy efficient washers and heat pump dryers, big capacity fridge freezers and range cookers as well as technology products such as induction hobs and self cleaning ovens have all helped lift value sales.



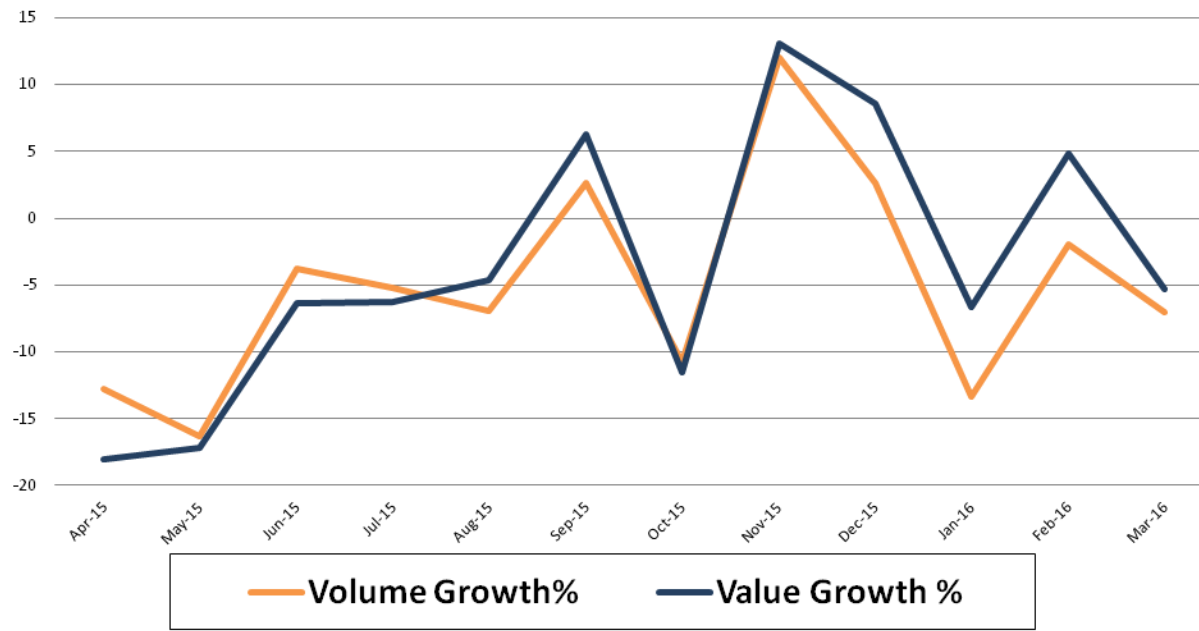
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
January	+5.00%	-0.20%
February	+11.50%	+4.80%
March	+15.90%	+9.30%
Q1 2016	+9.80%	+3.80%

Information Technology (IT) Sales - Q1 2016

Value and Volume performance Year on Year. Figures include Mobile Computing, Desk Computing, and Tablets

Commentary from Kit Lewin, Account Manager, GfK:

The first quarter of 2016 did not represent a strong start to the year for the Total PC and Tablet market in Ireland which saw declines of 3% in value terms and almost 9% in volume terms. The key areas that drove the overall decline was the Media Tablet portion of the market that experienced double digit declines in volume and value year-on-year. Notebooks, the largest portion of the PCs market, also experienced decline in Q1 with average selling prices up 7.8% but market volume down 8.6%. Despite these declines, two of the newer PC form factors had more positive starts to 2016. Computing Tablets showed strong growth across the last quarter with 23.2% volume and 68.9% value growth demonstrating the strength of the premium end of this market in Ireland. AIOs (All in One) also performed well within Desk Computing showing 15.3% volume growth and 15.6% value growth as average selling price remained flat in this high value sector.



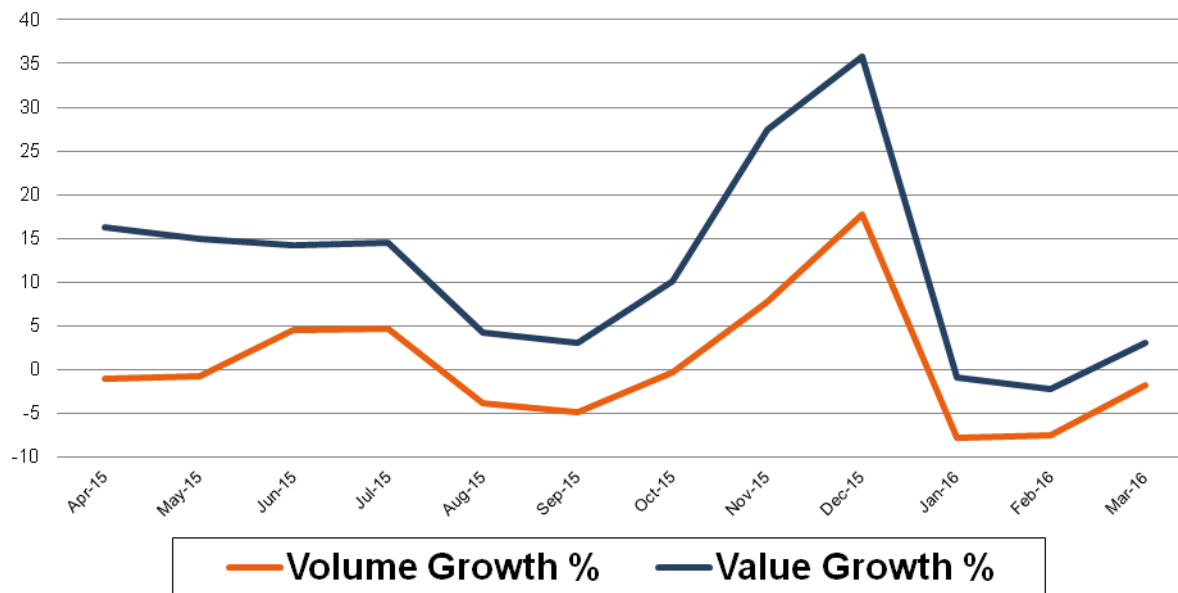
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
January	-6.70%	-13.40%
February	+4.80%	-2.00%
March	-5.30%	-7.00%
Q1 2016	-3.30%	-8.70%

Home Appliances (Small Appliances) Sales - Q1 2016

Value and Volume performance Year on Year (includes irons, kettles, toasters, food preparation, shavers , hair dryers and hair stylers, hot beverage makers and vacuum cleaners)

Commentary from Helen Warner, Senior Account Manager, SDA, GfK:

Small domestic appliances hasn't repeated the double digit growth in Q1 that was seen in Q4 2015, one reason for this is the cyclical 53rd week which extended 2015 trading, resulting in early January sales falling into our December 2015 rather than January 2016. Food preparation was one of the only categories to grow in January thanks to liquidisers which recorded 36% value growth year on year driven by models with a take away cup. Shavers is the best performer in March, growing by almost 15%, continuing the double digit growth seen in Q4 2015. Other key winners are the more commoditised markets of kettles and toasters; both recorded 7% value growth in March and vacuum cleaners which despite a decline of 1% in volume, grew by over 10% in value as the more premium hand sticks continue to outperform.



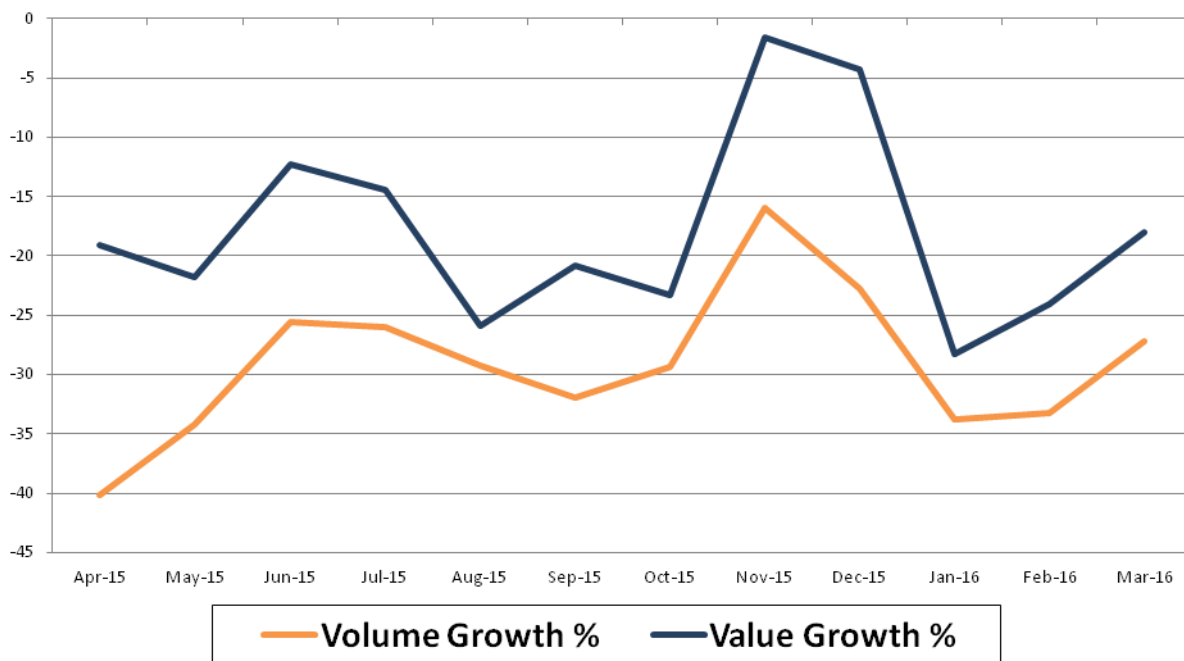
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
January	-0.90%	-7.80%
February	-2.30%	-7.50%
March	+3.10%	-1.80%
Q1 2016	-0.20%	-6.10%

Digital Camera Sales - Q1 2016

Value and Volume performance Year on Year - Figures include: Fixed Lens, Bridge, CSC and SLR

Commentary from Flavia Brenha, Photo, GfK:

With a value decline of -24% in Q1 of 2016, a sliver of good news you can take from the Photo sector is that the rate of decline has slowed down on the last quarter. The market is slowing more prominently in the value department, as the camera sector becomes more niche with the more premium segments gaining in importance. Compact Premium for example, that have helped the Fixed Lens segment, increasing 6% in value and 10% in volume. In other European countries, Compact System Cameras (CSC) also helped to increase the market in value terms. However, those are trends that have not yet been picked up in Ireland, leading to bigger declines.



2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
January	-28.00%	-34.00%
February	-24.00%	-33.00%
March	-18.00%	-27.00%
Q1 2016	-24.00%	-32.00%

About REI, Grant Thornton & GfK

ABOUT REI

Retail Excellence Ireland (REI) is the largest retail industry trade body in Ireland. REI aim to enhance the consumer's retail experience by developing top class retail standards and skills, and promoting a vibrant and competitive world class retail industry in Ireland.

Retail Excellence Ireland involves over 1,600 leading retail companies who operate over 13,000 stores in the Irish market.

REI is a not for profit organisation which invests in innovative and exciting learning, market intelligence, HRM supports, Government representation and member networking initiatives.

REI collected this data via on-line survey response.

ABOUT GRANT THORNTON

Grant Thornton are leading Irish retail industry advisors and exclusive financial and accounting partners of Retail Excellence Ireland.

Grant Thornton is the fastest growing professional services firm in Ireland comprising over 800 people operating from offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

The firm's Retail team has the expertise and knowledge to provide specific solutions to their retail clients. By identifying the key drivers of value creation crucial to the success of any retail business Grant Thornton can work with clients to maximise their business potential. Services include annual audits, regular business reviews, quarterly management accounts, bank financing applications, independent business reviews, franchise/supplier agreement negotiations, benchmarking and projections.

ABOUT GfK

GfK is one of the world's largest research companies. 11,500 GfK experts are working to discover new insights about the way people live, think and shop, in over 100 markets, every day.

GfK is constantly innovating to use the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. That knowledge empowers GfK's clients to make the right decisions, and position their businesses for the future.

How do GfK gather this data?

- Data is collected via EPOS systems so minimal time commitment is involved in supplying data
- Sales data is gathered confidentially and no individual retailer's data is ever disclosed
- Exclusive lines/models are suppressed
- Reports are provided to participating retailers free of charge