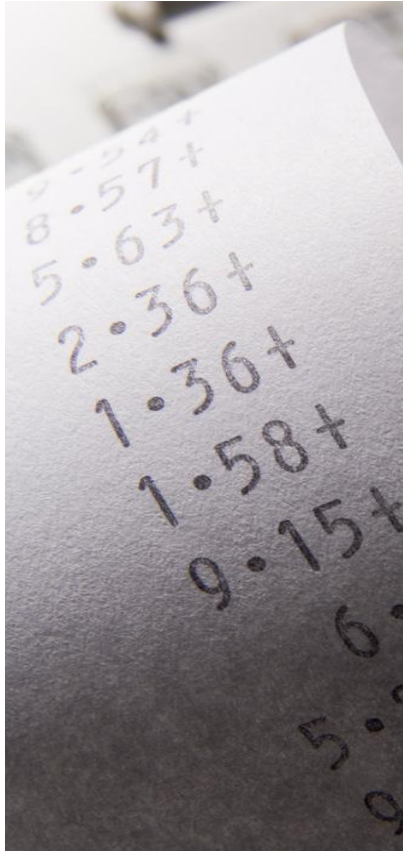


# Grant Thornton REI Irish Retail Industry Productivity Review Q3 2016



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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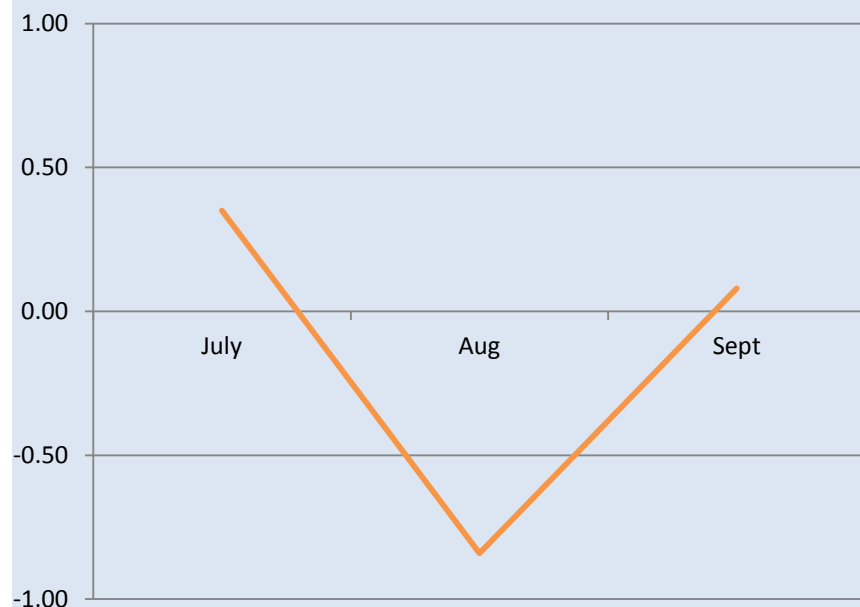
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# Retail Industry Like for Like Sales Q3 2016

**REI CEO David Fitzsimons comments:** It is very concerning that like for like retail sales are down against this time last year. Discretionary spend sectors such as Jewellery, Ladies Fashion and Footwear all experienced a very weak Quarter 3 period. While some sectors recorded marginal gains, the overall situation is creating some anxiety in the industry. It was very clear over the past three months that border located stores are suffering significant declines due to sterling devaluation. Of greatest concern is that Budget17 did nothing to protect vulnerable businesses with VAT remaining at 23% and employment costs spiraling out of c control. We are now potentially facing a retail industry recession.

Like for Like Sales Q3 2016 v's Q3 2015 (Industry Average)



**LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)**

July  
+0.35%

August  
-0.84%

September  
+0.08%

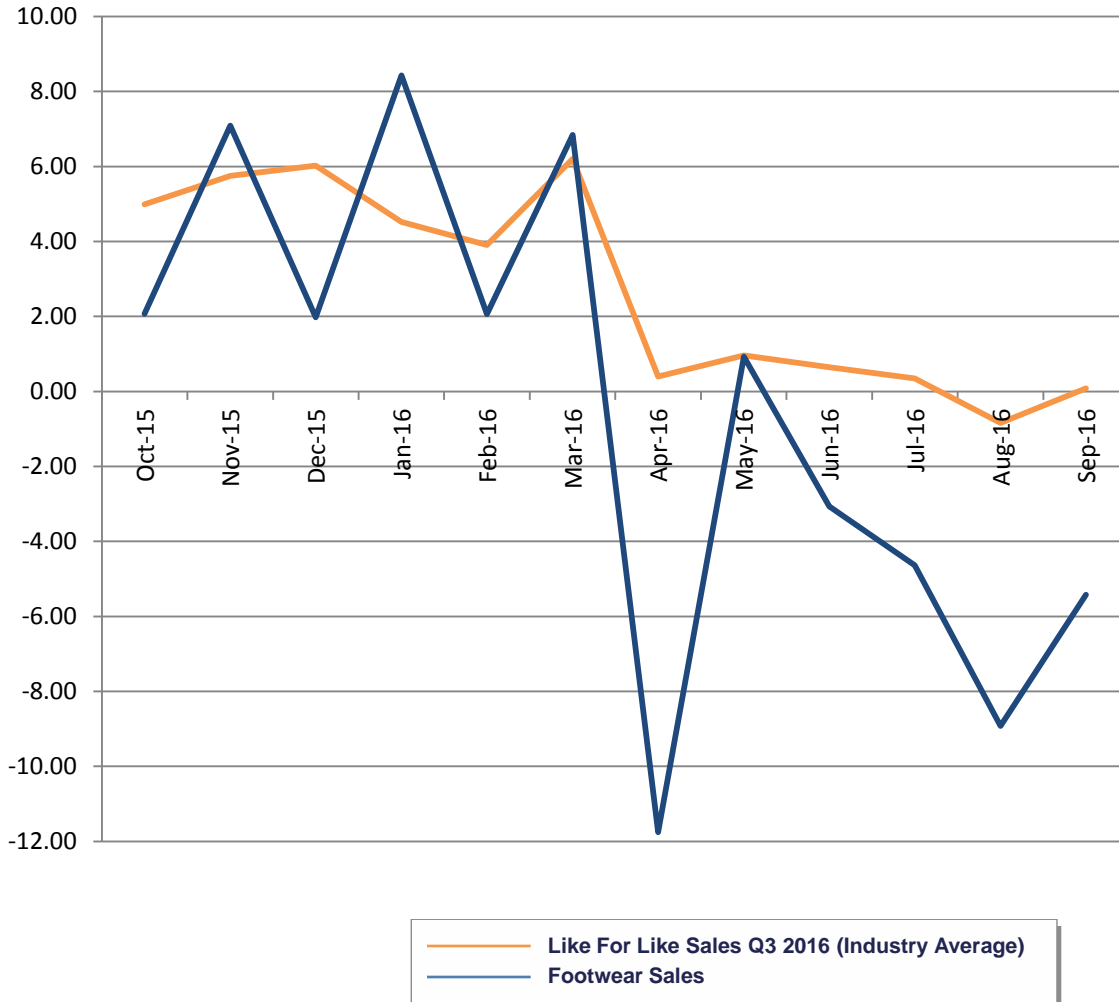
Q3 2016  
-0.16%

## LIKE FOR LIKE SALES Q3 2016 V Q3 2015

Industry Average	-0.16%
Footwear	-6.81%
Furniture & Flooring	-0.85%
Garden Centres	+9.72%
Gift & Homeware	+2.29%
Grocery	+2.56%
Hot Beverage	+1.12%
Jewellery	-4.23%
Ladies Fashion	-4.95%
Menswear	+2.01%
Pharmacy	+3.65%
Childrenswear	-1.19%
Agri Retail	-6.02%
Health Stores	+1.25%
Lingerie	-0.89%
Consumer Electronics (Brown Goods)	0.00%
Home Appliances (Small)	+4.00%
IT   Computing	-9.00%
Digital Camera	-22.00%
Home Appliances (Major)	+13.00%

# Footwear Sales - Q3 2016

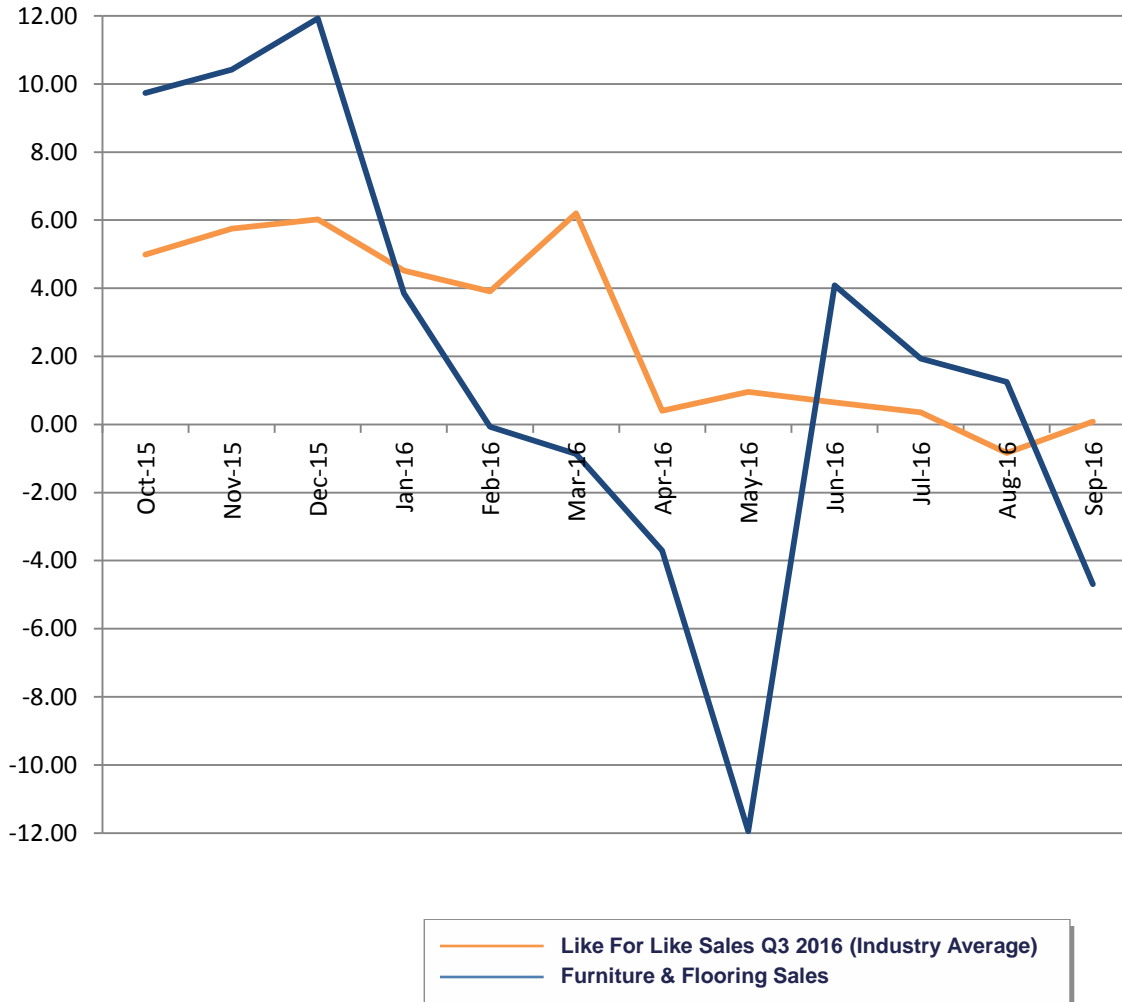
Comparable with Retail Industry Average



2016	FOOTWEAR SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-4.64%	+0.35%
August	-8.92%	-0.84%
September	-5.42%	+0.08%
Q3 2016	-6.81%	-0.16%

# Furniture & Flooring Sales - Q3 2016

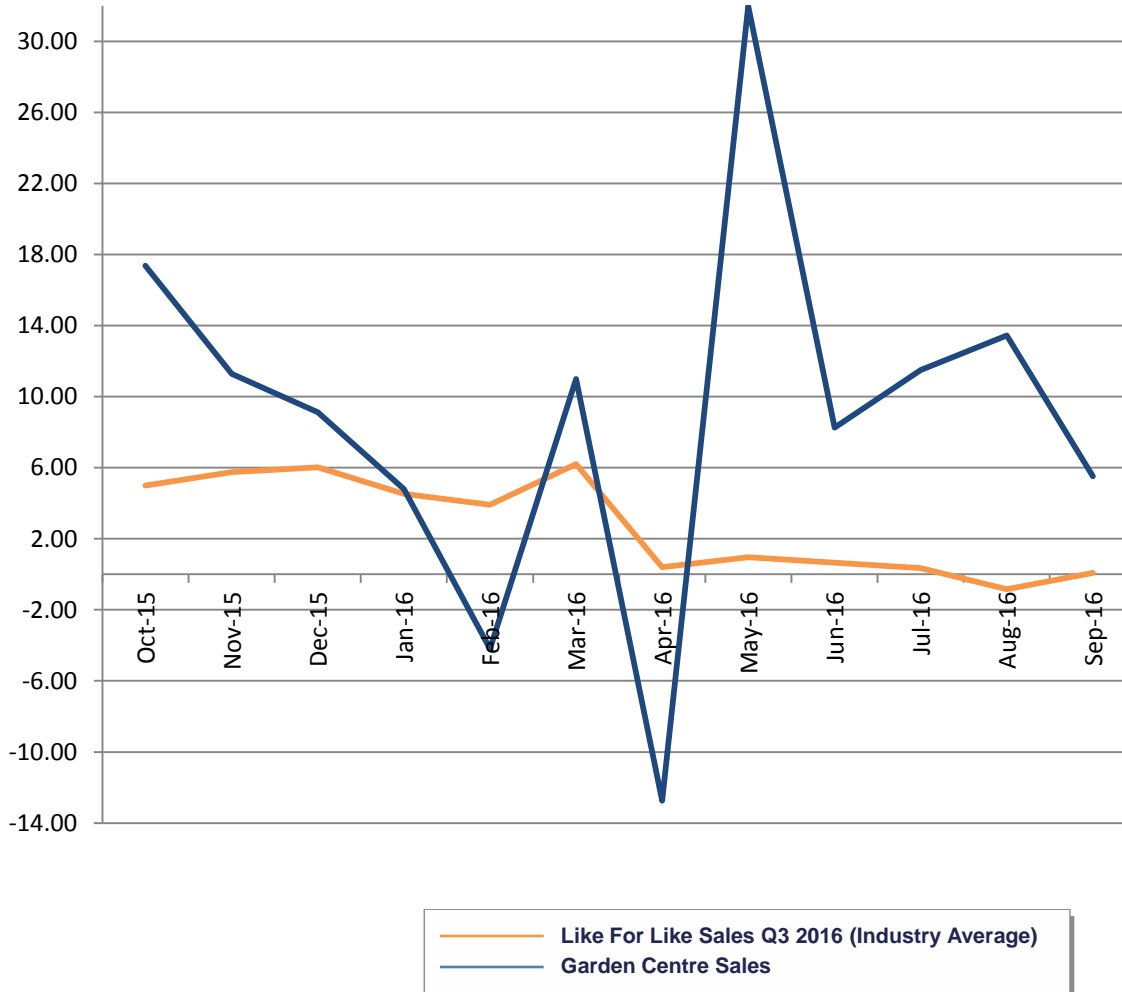
Comparable with Retail Industry Average



2016	FURNITURE & FLOORING SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+1.93%	+0.35%
August	+1.25%	-0.84%
September	-4.69%	+0.08%
Q3 2016	-0.85%	-0.16%

# Garden Centre Sales - Q3 2016

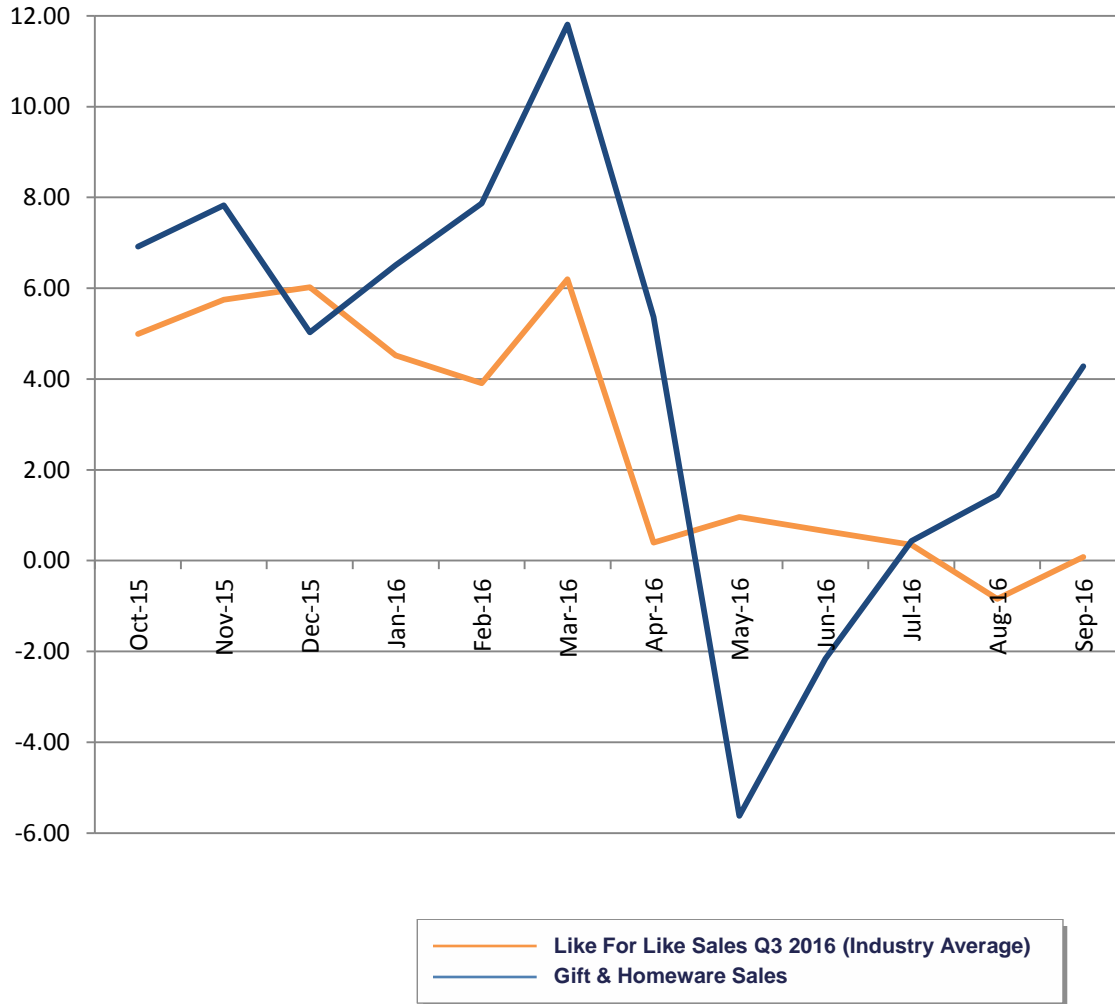
Comparable with Retail Industry Average



2016	GARDEN CENTRE SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+11.50%	+0.35%
August	+13.44%	-0.84%
September	+5.51%	+0.08%
Q3 2016	+9.72%	-0.16%

# Gift & Homeware Sales - Q3 2016

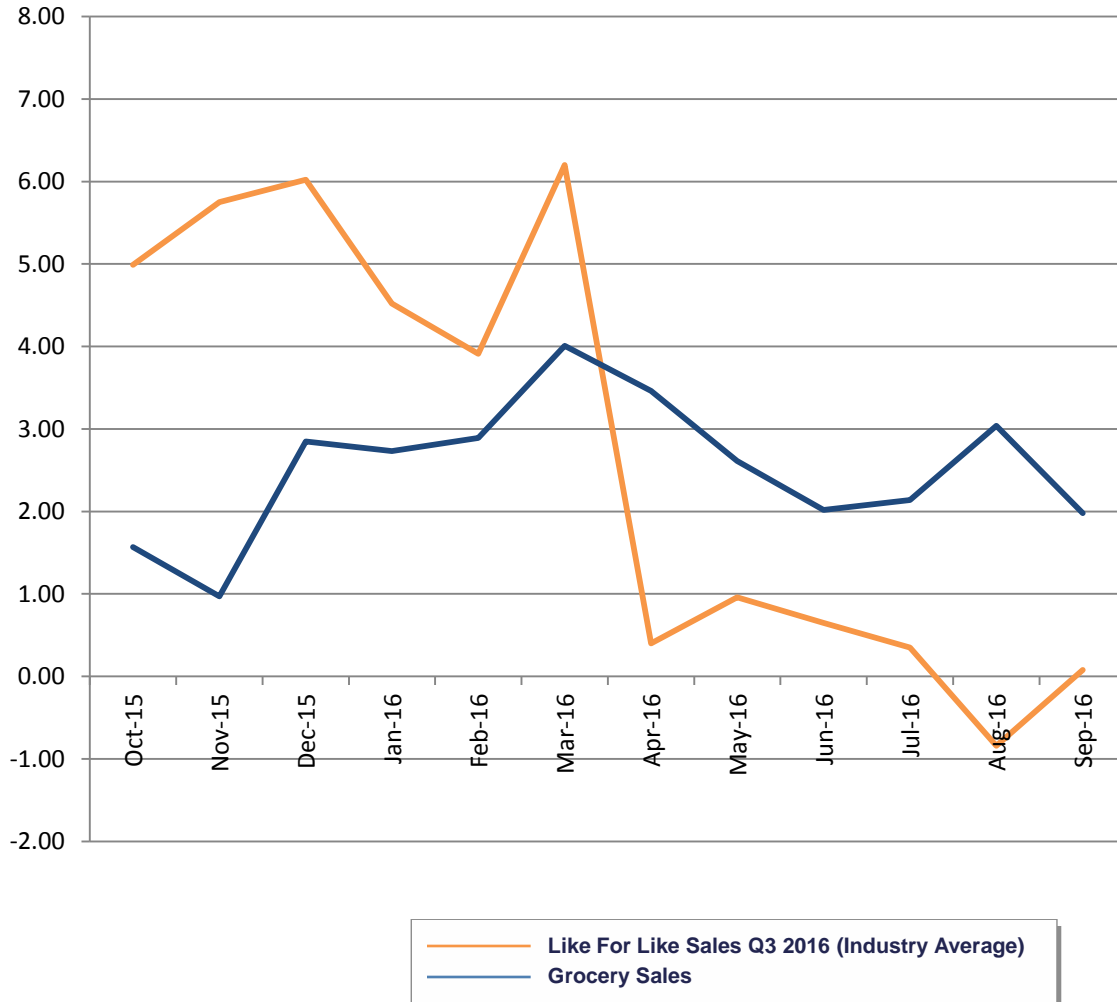
Comparable with Retail Industry Average



2016	GIFT & HOMEWARE SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+0.43%	+0.35%
August	+1.45%	-0.84%
September	+4.28%	+0.08%
Q3 2016	+2.29%	-0.16%

# Grocery Sales - Q3 2016

Comparable with Retail Industry Average

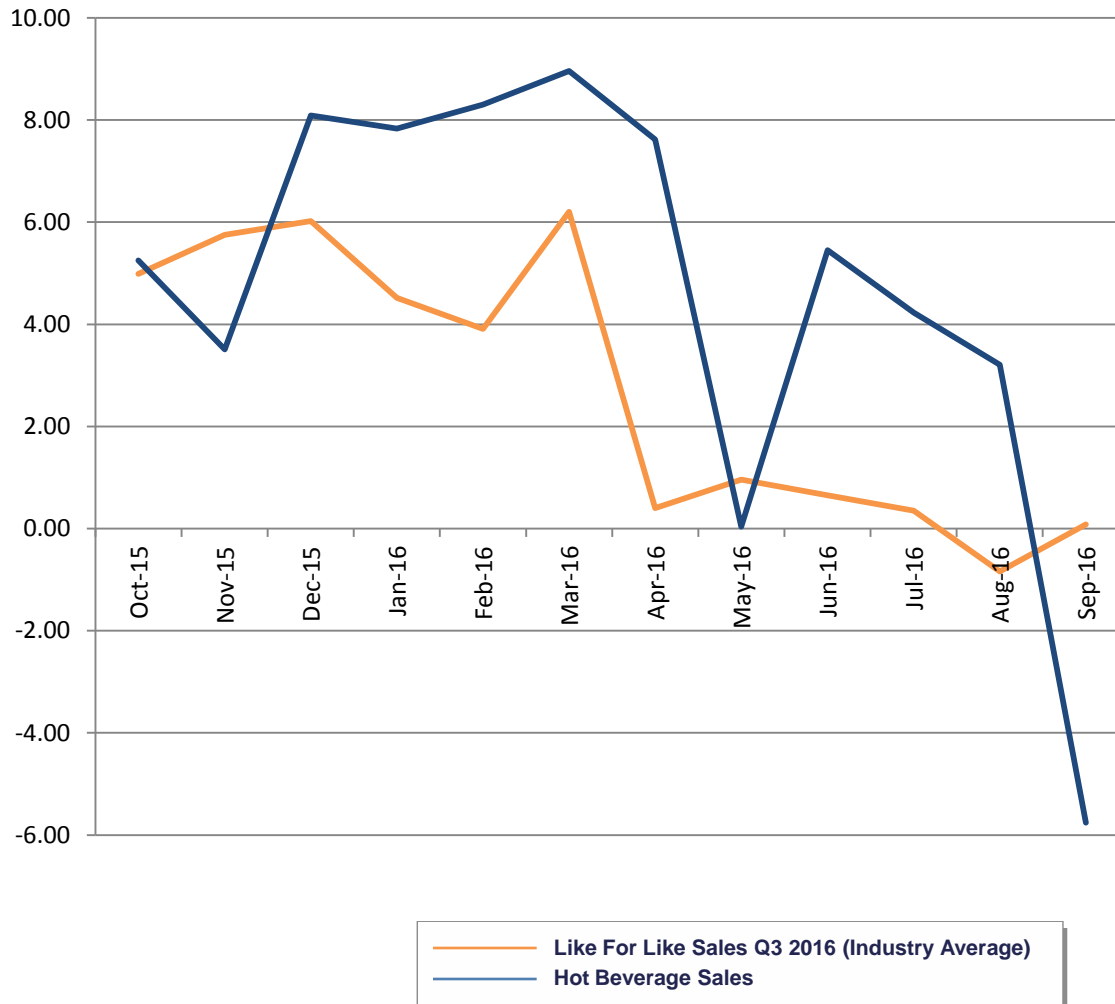


2016	GROCERY SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+2.14%	+0.35%
August	+3.04%	-0.84%
September	+1.98%	+0.08%
Q3 2016	+2.56%	-0.16%



# Hot Beverage Sales - Q3 2016

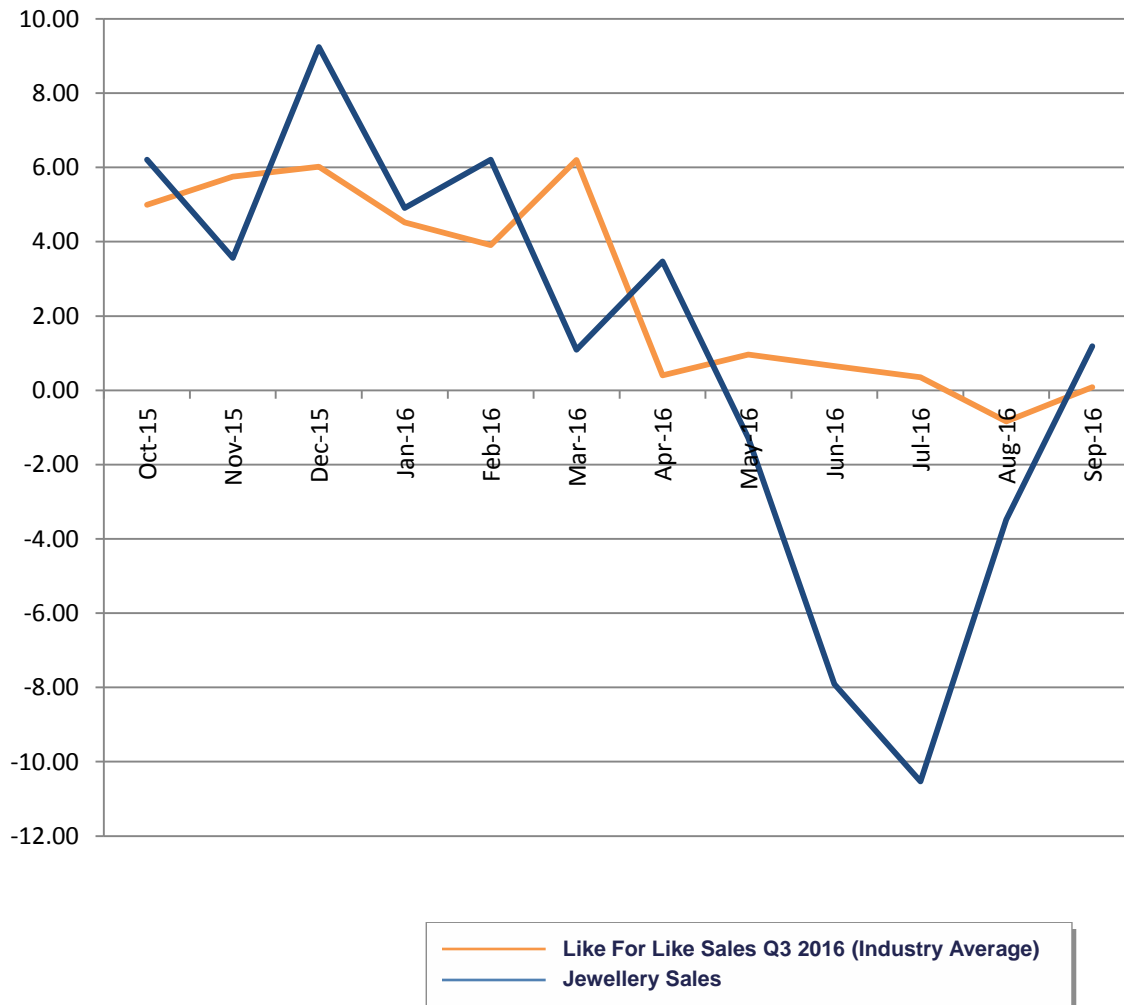
Comparable with Retail Industry Average



2016	HOT BEVERAGE SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+4.23%	+0.35%
August	+3.21%	-0.84%
September	-5.76%	+0.08%
Q3 2016	+1.12%	-0.16%

# Jewellery Sales - Q3 2016

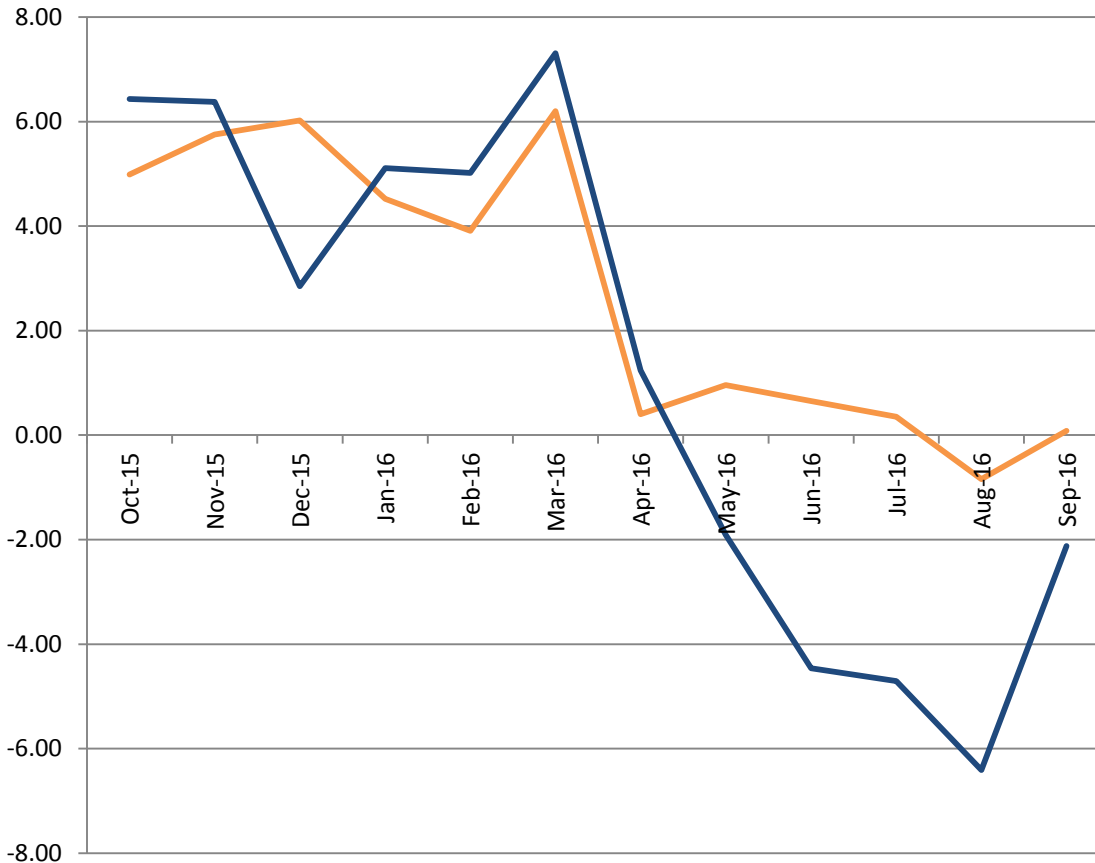
Comparable with Retail Industry Average



2016	JEWELLERY SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-10.53%	+0.35%
August	-3.48%	-0.84%
September	+1.19%	+0.08%
Q3 2016	-4.23%	-0.16%

# Ladies Fashion Sales - Q3 2016

Comparable with Retail Industry Average

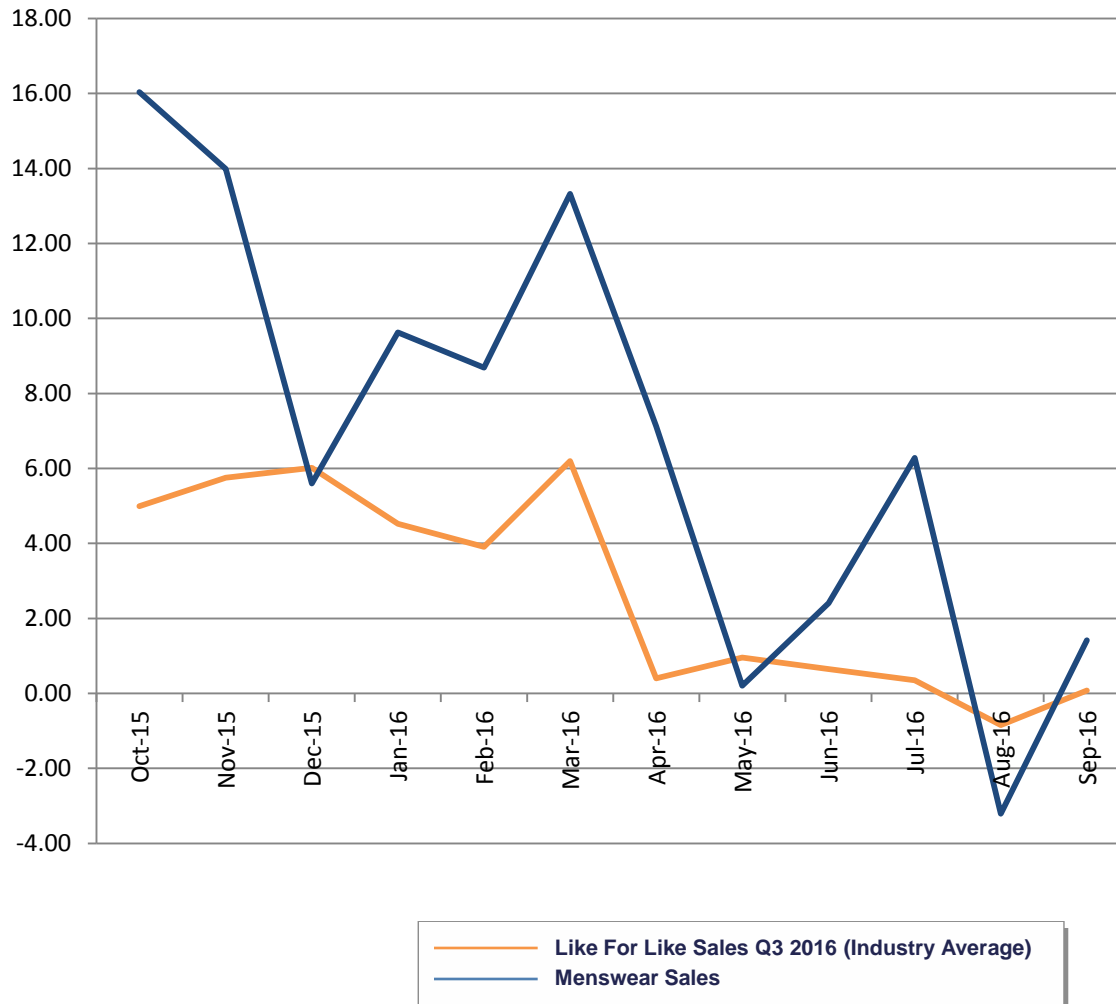


— Like For Like Sales Q3 2016 (Industry Average)  
— Ladies Fashion Sales

2016	LADIES FASHION SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-4.71%	+0.35%
August	-6.41%	-0.84%
September	-2.12%	+0.08%
Q3 2016	-4.95%	-0.16%

# Menswear Sales - Q3 2016

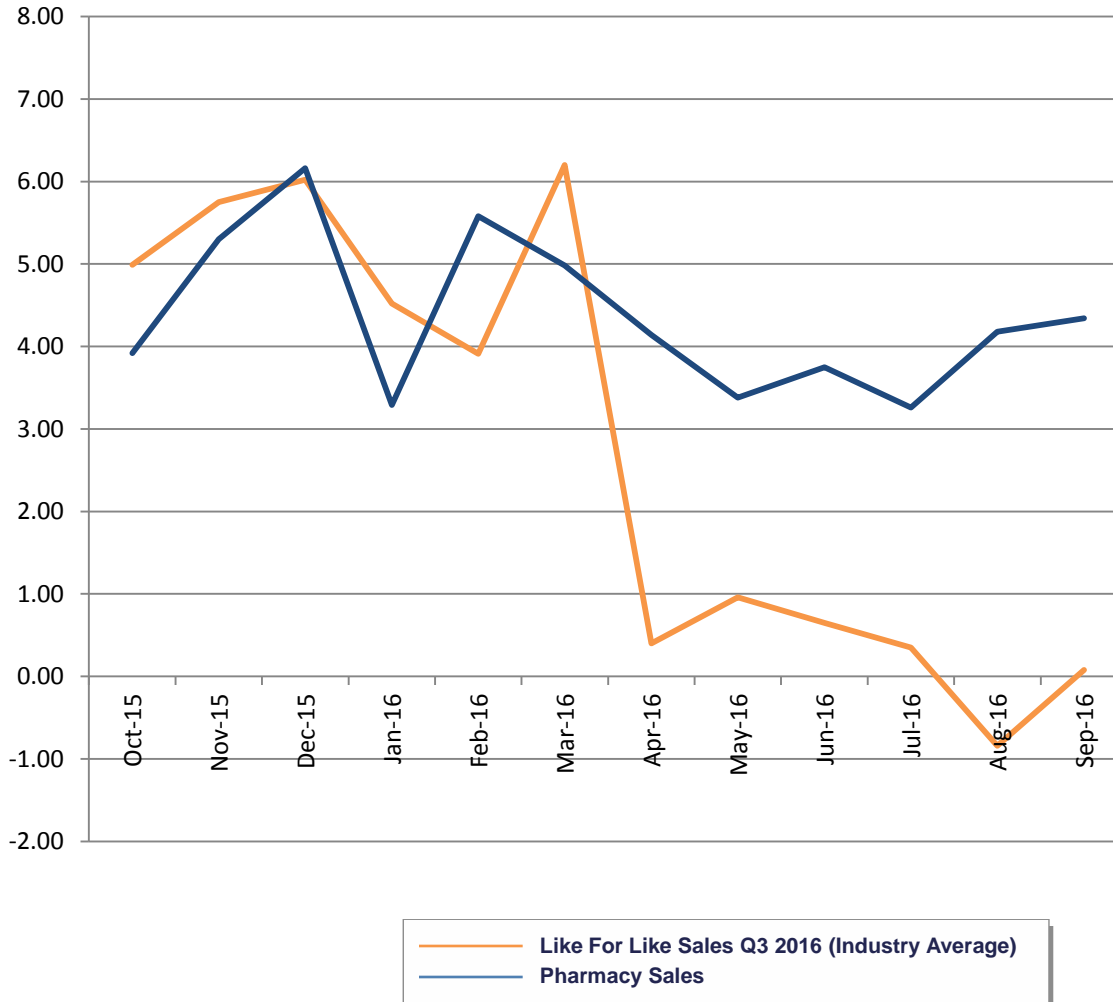
Comparable with Retail Industry Average



2016	MENSWEAR SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+6.28%	+0.35%
August	-3.21%	-0.84%
September	+1.42%	+0.08%
Q3 2016	+2.01%	-0.16%

# Pharmacy Sales - Q3 2016

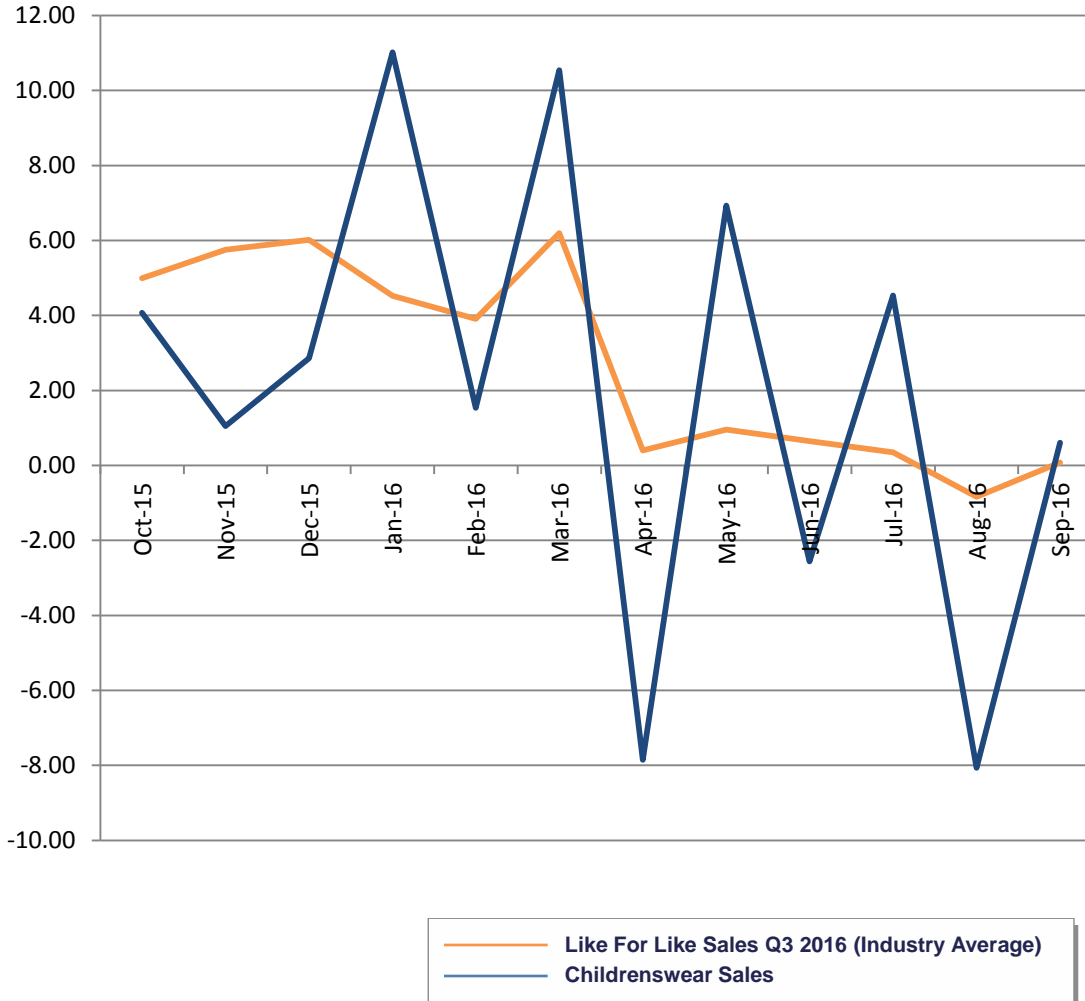
Comparable with Retail Industry Average



2016	PHARMACY SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+3.26%	+0.35%
August	+4.18%	-0.84%
September	+4.34%	+0.08%
Q3 2016	+3.65%	-0.16%

# Childrenswear Sales - Q3 2016

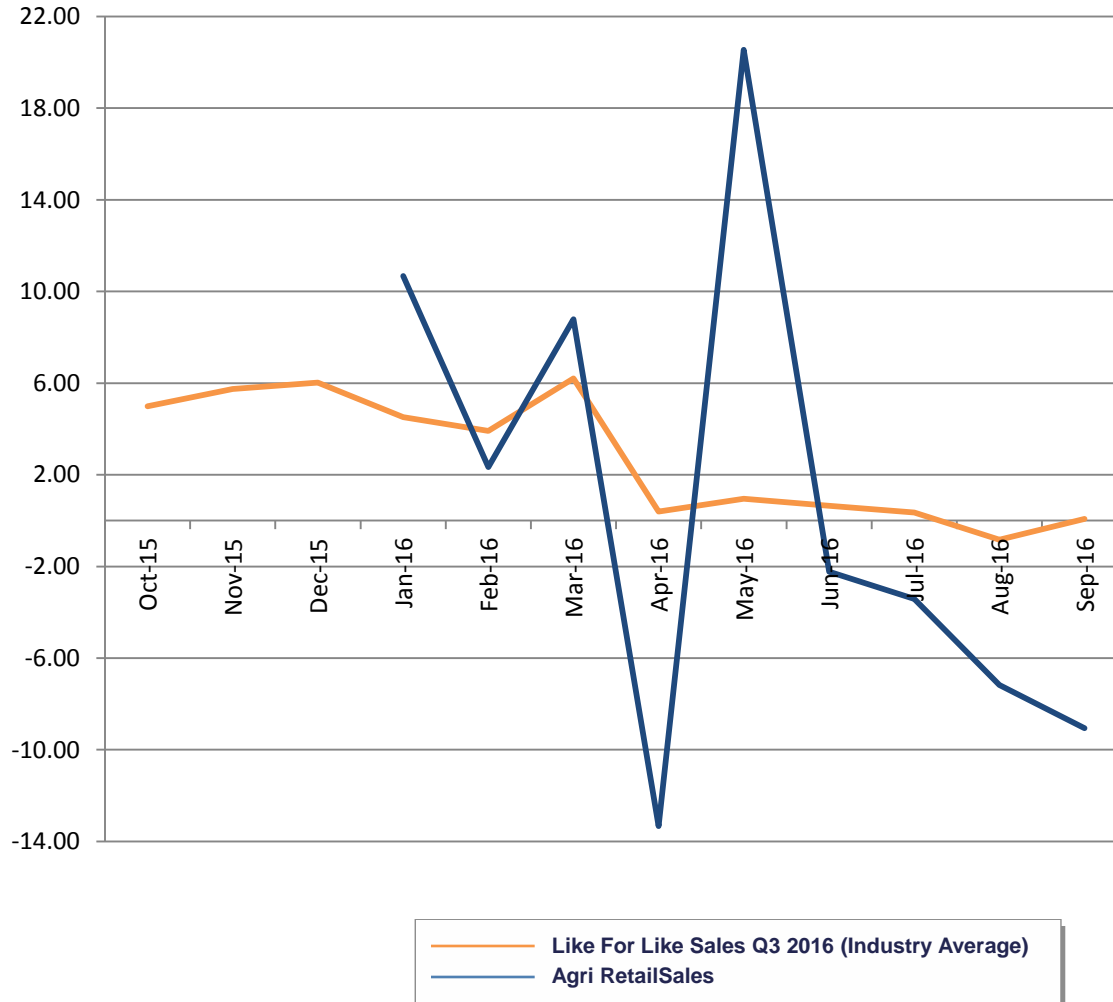
Comparable with Retail Industry Average



2016	CHILDRENSWEAR SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	+4.53%	+0.35%
August	-8.06%	-0.84%
September	+0.61%	+0.08%
Q3 2016	-1.19%	-0.16%

# Agri Retail Sales - Q3 2016

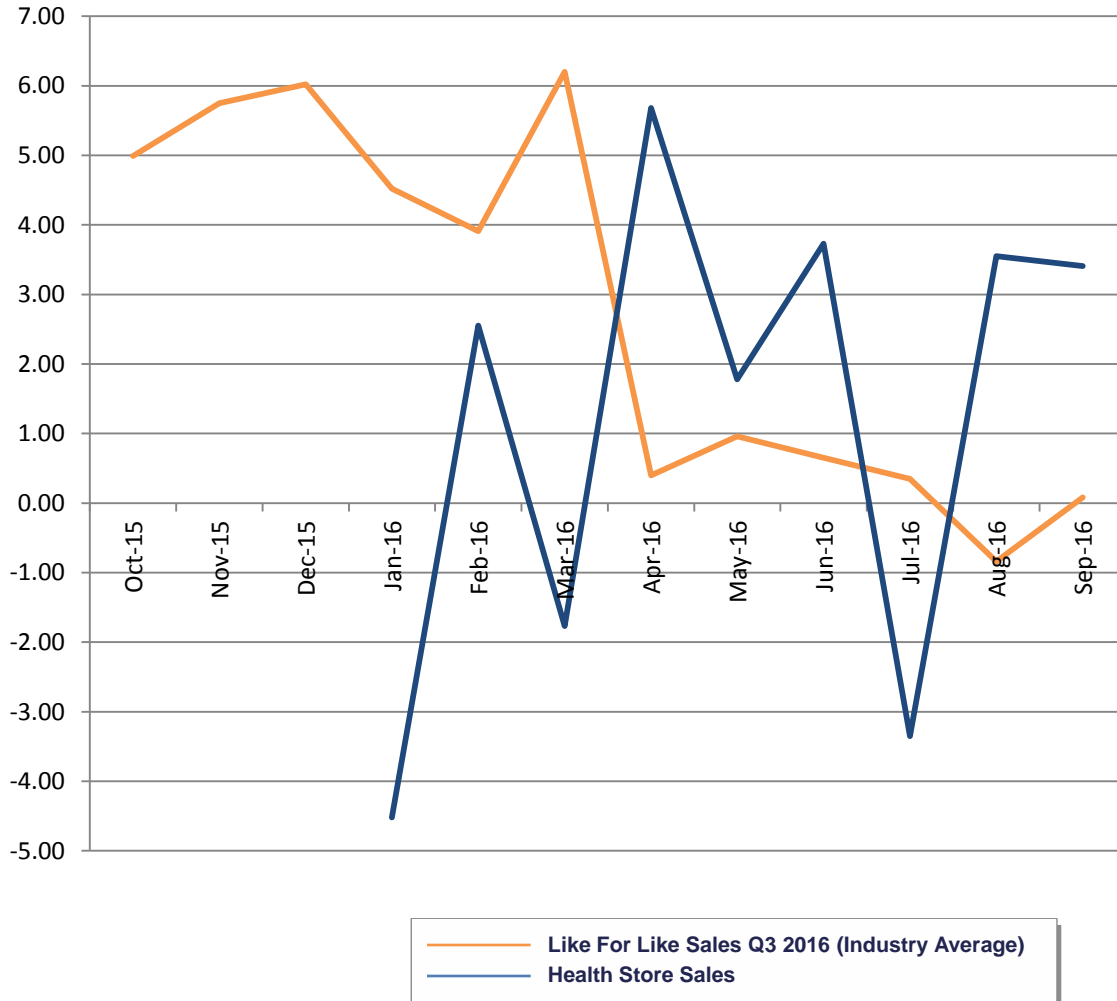
Comparable with Retail Industry Average



2016	AGRI RETAIL SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-3.42%	+0.35%
August	-7.17%	-0.84%
September	-9.06%	+0.08%
Q3 2016	-6.02%	-0.16%

# Health Store Sales - Q3 2016

Comparable with Retail Industry Average

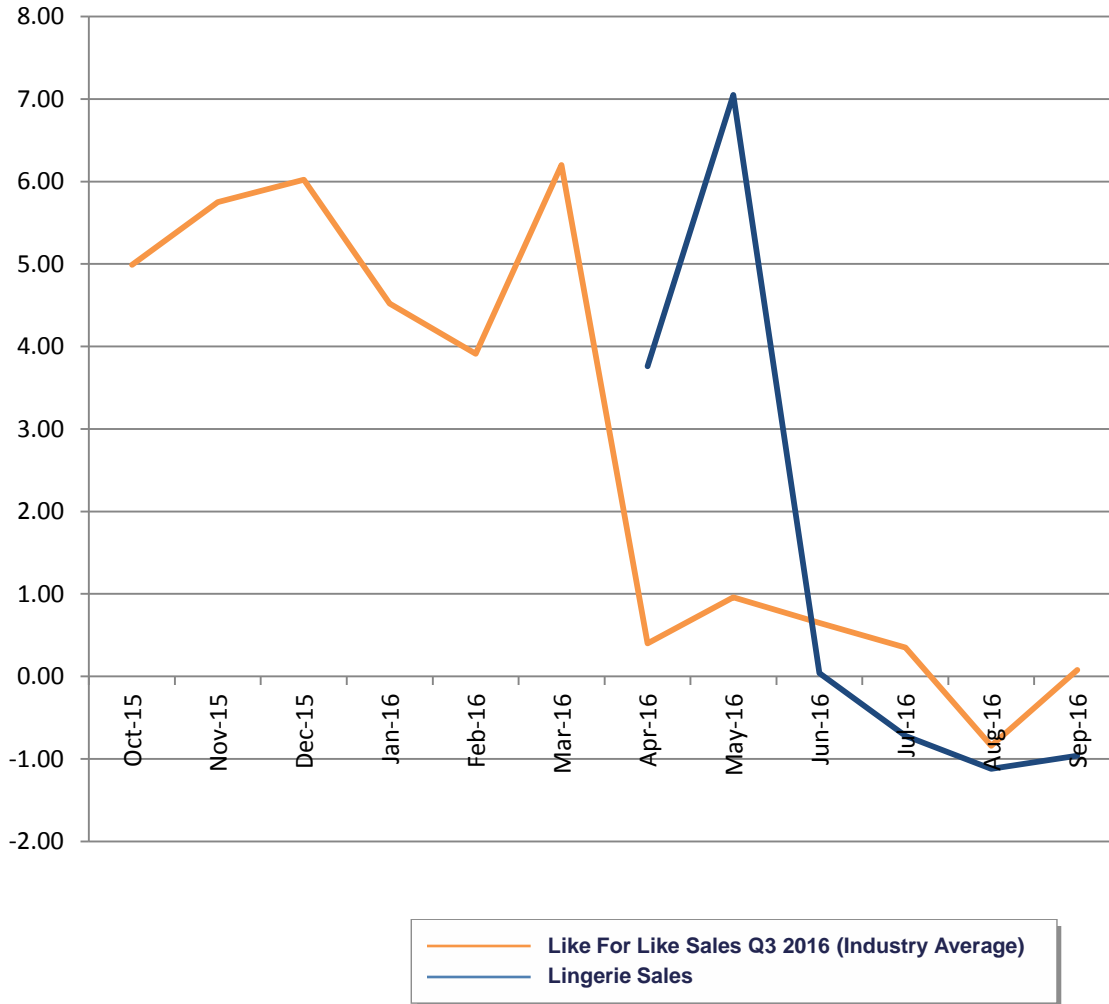


2016	HEALTH STORE SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-3.35%	+0.35%
August	+3.55%	-0.84%
September	+3.41%	+0.08%
Q3 2016	+1.25%	-0.16%



# Lingerie Sales - Q3 2016

Comparable with Retail Industry Average



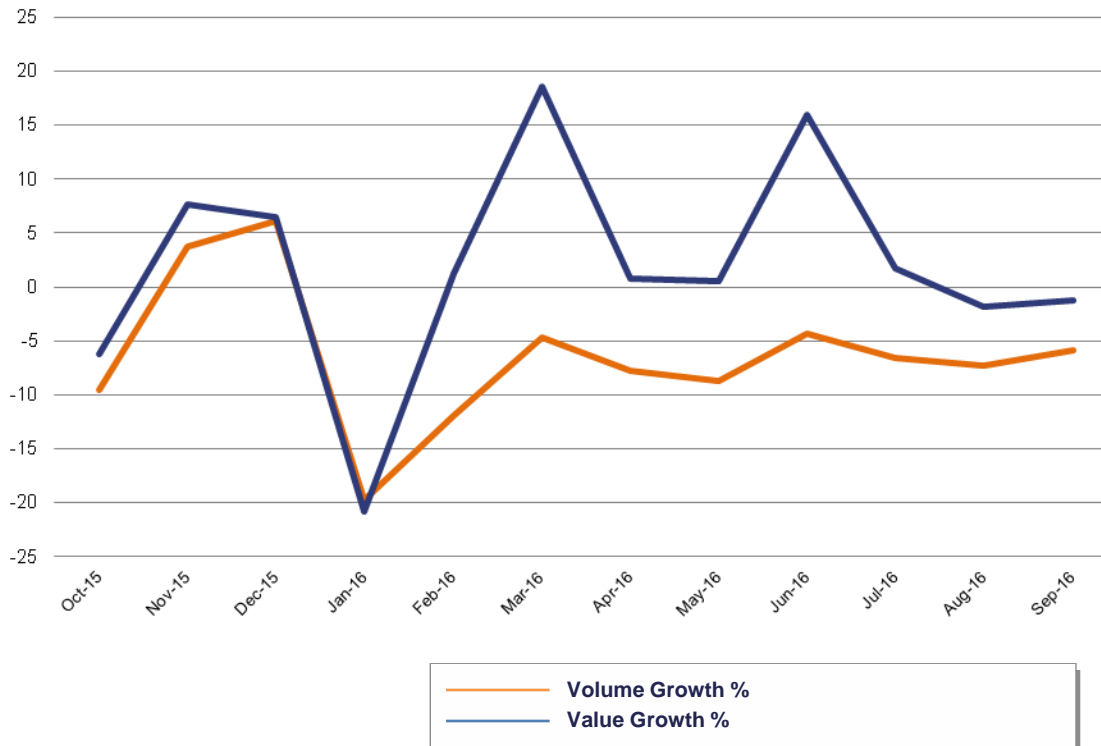
2016	LINGERIE SALES	LIKE FOR LIKE SALES Q3 2016 (INDUSTRY AVERAGE)
July	-0.72%	+0.35%
August	-1.12%	-0.84%
September	-0.96%	+0.08%
Q3 2016	-0.89%	-0.16%

# Consumer Electronics (Brown Goods) Sales - Q3 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:

The frisson generated by the European football championships in Q2 was replaced by a steady performance which amounted to a breakeven situation over the three months to the end of September 2016. UHD's increasing maturity did not restrict sales, as highlighted by a tripling of volume and doubling of turnover in the latest quarter. Smart TV sales also increased. Other vision products fared less well, with DVD and Blu-ray both suffering significant downturns and soundbars declining again on 2015 figures. Once again solace came from Audio HIFI, with multiroom systems and wireless speakers to the fore.



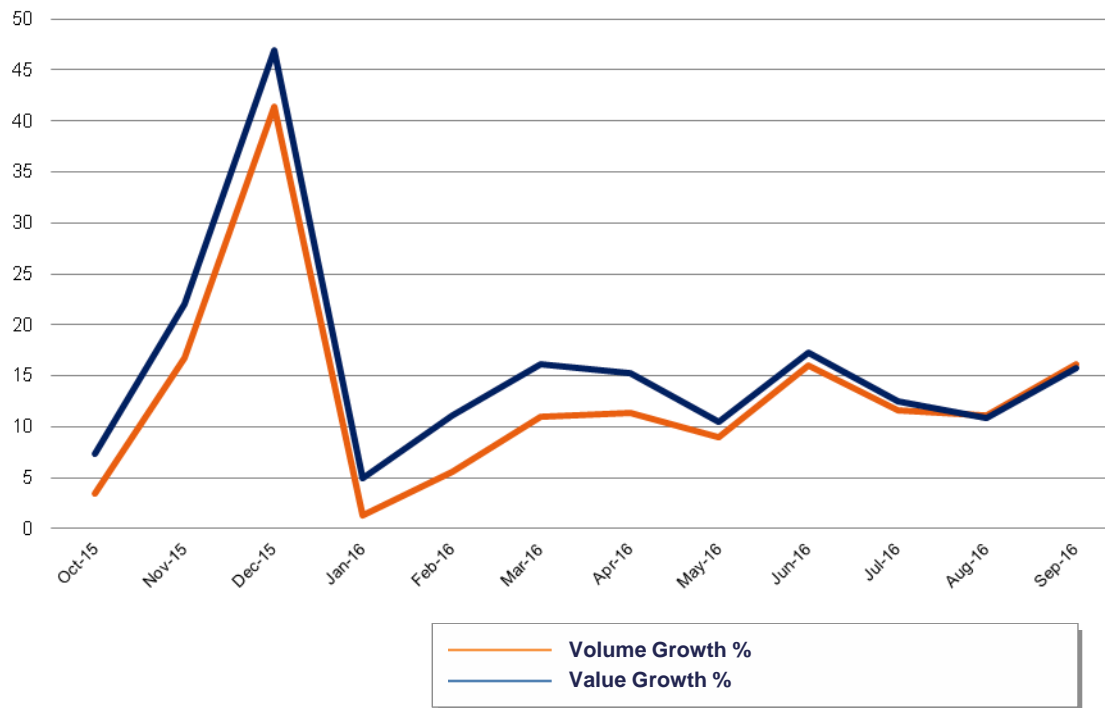
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
July	+2.00%	-7.00%
August	-2.00%	-7.00%
September	-1.00%	-6.00%
Q3 2016	0.00%	-7.00%

# Home Appliances (Major Appliances) Sales - Q3 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, Senior Account Manager GfK:

Major appliances continues to enjoy a healthy anniversary with double digit growth in every month of Q3. Tumble dryers was the stand-out category with value up more than 38% in the last three months and in particular, condenser dryers and even higher value heat pump dryers experiencing an uplift. Refrigeration also performed strongly with volume up 17.5% this year against a 3% decline over Q3 last year. Both key replacement products like washing machines and appliances often bought as part of home improvement such as built in ovens and hobs all saw solid value growth of around 9% on average. The evidence suggests consumers have an appetite for premium products as well as distress purchases.



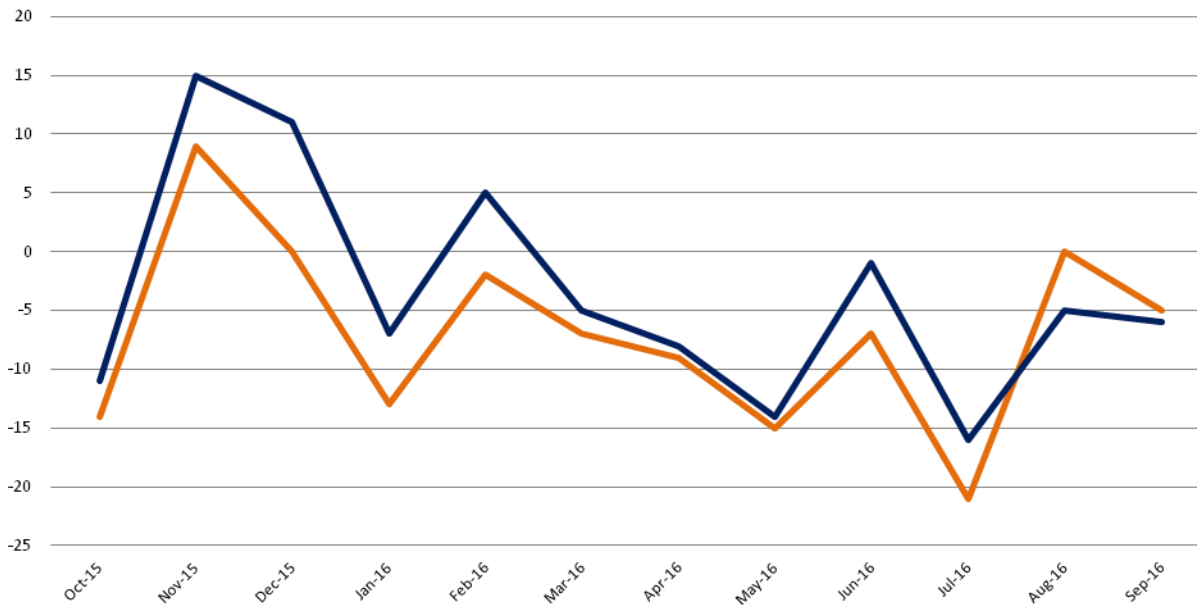
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
July	+12.50%	+11.60%
August	+10.90%	+11.10%
September	+15.80%	+16.10%
Q3 2016	+13.00%	+12.80%

# Information Technology (IT) Sales - Q3 2016

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

Commentary from Megan Wood, Account Manager, GfK:

The third quarter of 2016 saw some declines for the Total Computing and Tablets market, with volumes and values down 9% across the quarter, with a particularly poor July. The key areas that drove the continued decline was Media Tablets, which experienced double digit declines in volume and value year-on-year, with value in particular taking a significant hit, down 18%. Notebooks, the largest portion of the PCs market, also experienced slight declines in Q3 with average selling prices down 2% but market volume down 1%.



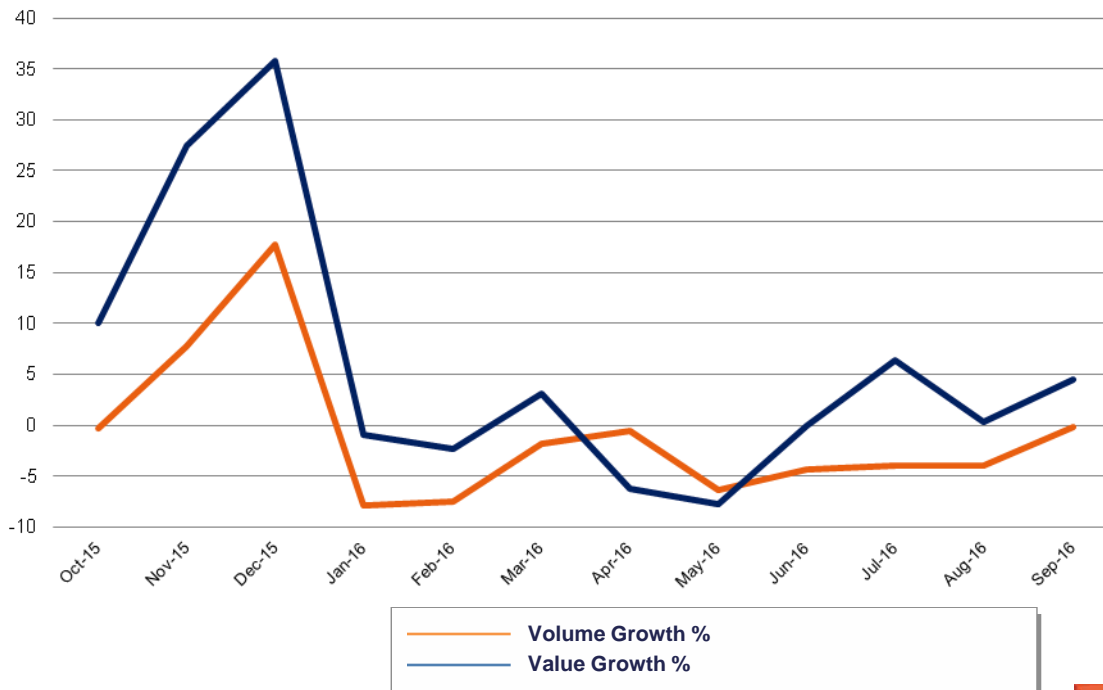
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
July	-16.00%	-21.00%
August	-5.00%	0.00%
September	-6.00%	-5.00%
Q3 2016	-9.00%	-9.00%

# Home Appliances (Small Appliances) Sales - Q3 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 appliances have continued to decline in volume over the last quarter, falling by 2.8%. Value is more positive with each month displaying growth and contributing to the total quarter gain of 4%. Food preparation remains the worst performing segment with value falling by 32% as liquidisers decline by 43% following a 116% growth in the same period last year. Hot beverage makers jump back into growth and is the best performing segment in volume showing a quarterly increase of 32%. It's a wide range of product types which gained, from single serve machines which use coffee from one specific supplier, right through to traditional espresso and onto the more premium segment of bean to cup. Hair dryers enjoy a huge growth of 61% in value as premium brands emerge driving an increase in average price of €18 compared to Q3 2015.



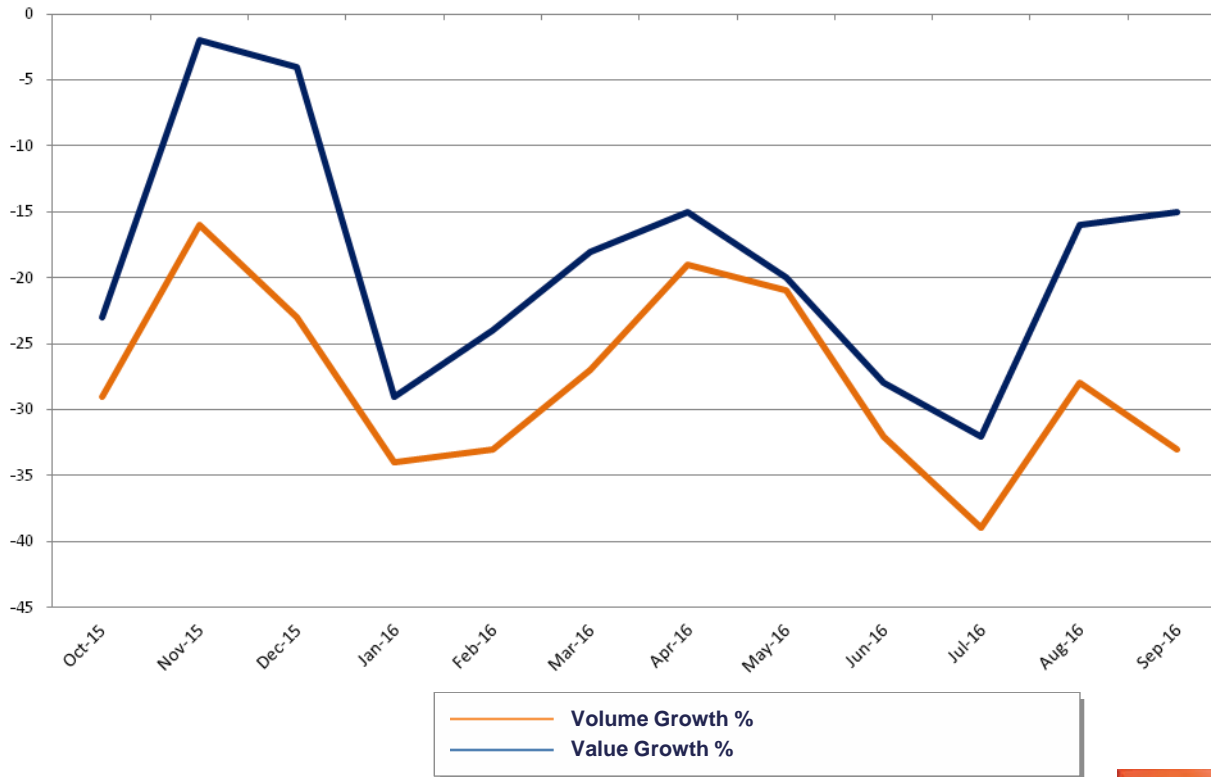
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
July	+6.40%	-3.90%
August	+0.30%	-4.00%
September	+4.50%	-0.10%
Q3 2016	+4.00%	-2.80%

# Digital Camera Sales - Q3 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 22% in Q3 of 2016, a small bit 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, increased 14% in value and 13% in volume. Compact System Cameras (CSC) also helped to increase the market in value terms with a growth rate of 4%.



2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
July	-32.00%	-39.00%
August	-16.00%	-28.00%
September	-15.00%	-33.00%
Q3 2016	-22.00%	-34.00%

# 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