

Grant Thornton REI Irish Retail Industry Productivity Review Q2 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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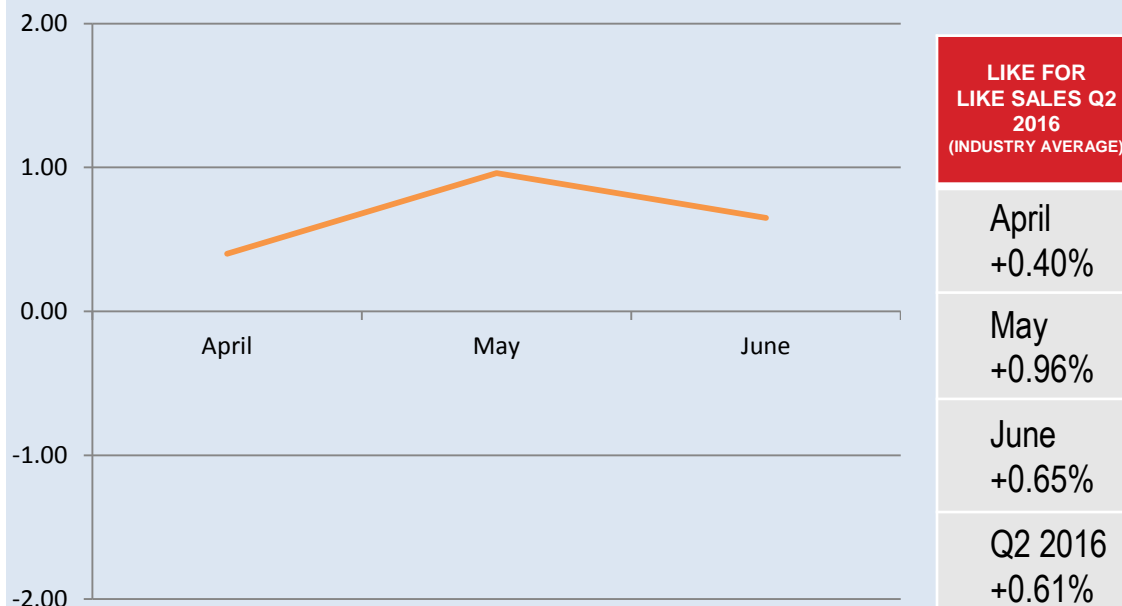
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Retail Industry Like for Like Sales Q2 2016

REI CEO David Fitzsimons comments: The quarter two analysis of retail sales paints a concerning picture as industry growth rates continue to diminish. Sales over the quarter were flat with some sectors performing well, whilst others experienced like for like declines. The clement spell of weather in late May and early June helped lift Agri, Garden and Children's Fashion sectors, however it also contributed to a like for like sales decline in the Hot Beverage Sector. Some home categories performed reasonably, however a concern is the like for like dip in Furniture & Flooring sales over the period. The impact during the quarter of Ireland's political instability and the Brexit determination most certainly contributed to a disappointing quarter.

Like for Like Sales Q2 2016 v's Q2 2015 (Industry Average)

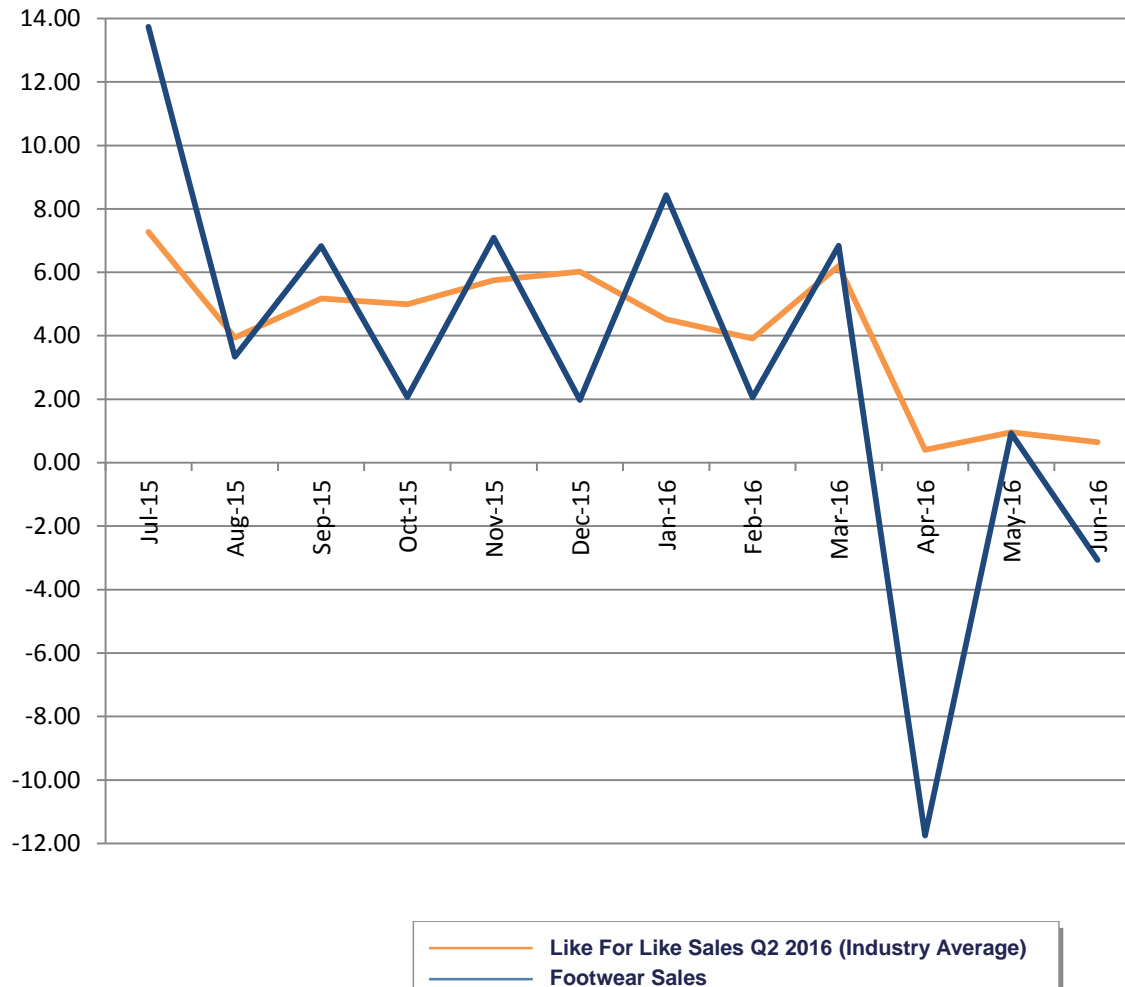


LIKE FOR LIKE SALES Q2 2016 V Q2 2015

Industry Average	+0.61%
Footwear	-4.49%
Furniture & Flooring	-4.03%
Garden Centres	+9.24%
Gift & Homeware	-0.99%
Grocery	+2.73%
Hot Beverage	+4.12%
Jewellery	-3.71%
Ladies Fashion	-2.73%
Menswear	+4.27%
Pharmacy	+3.76%
Childrenswear	-2.20%
Agri Retail	+0.89%
Health Stores	+2.94%
Lingerie	+3.62%
Consumer Electronics (Brown Goods)	+5.00%
Home Appliances (Small)	-5.00%
IT Computing	-8.70%
Digital Camera	-21.00%
Home Appliances (Major)	+14.10%

Footwear Sales - Q2 2016

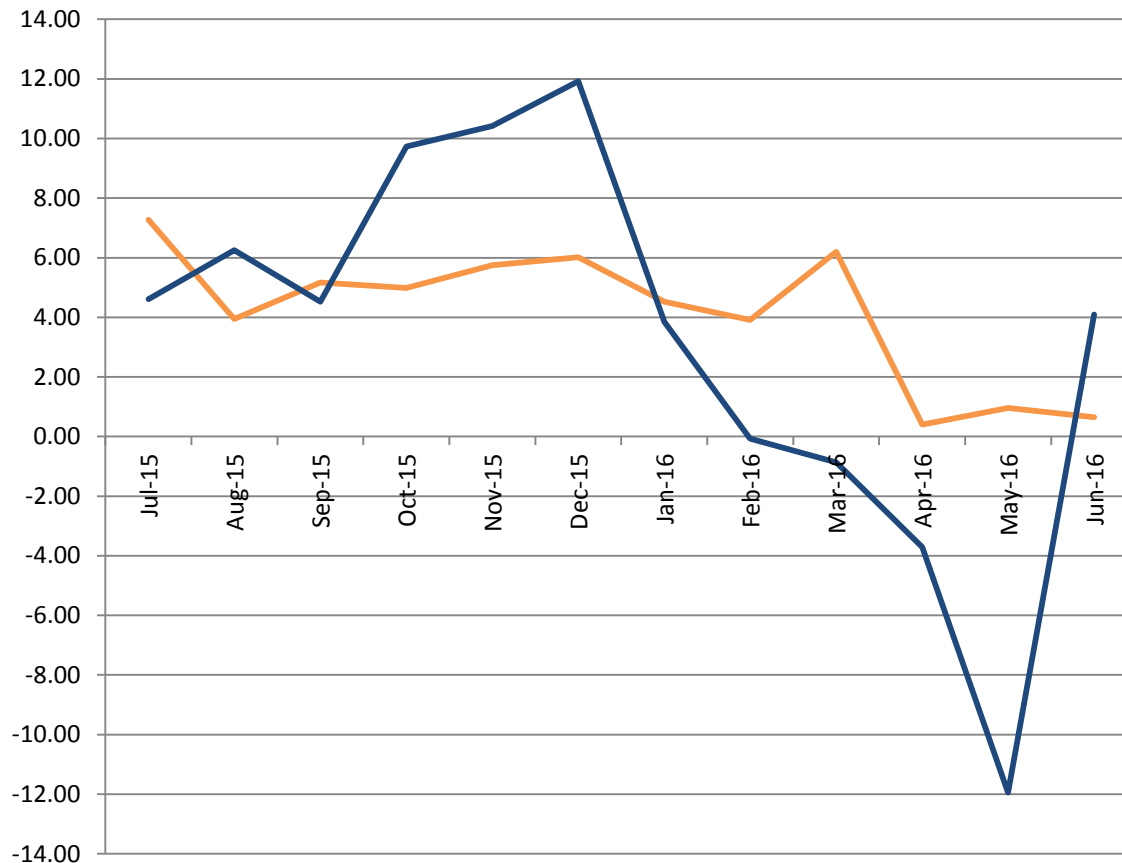
Comparable with Retail Industry Average



2016	FOOTWEAR SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	-11.75%	+0.40%
May	+0.93%	+0.96%
June	-3.07%	+0.65%
Q2 2016	-4.49%	+0.61%

Furniture & Flooring Sales - Q2 2016

Comparable with Retail Industry Average

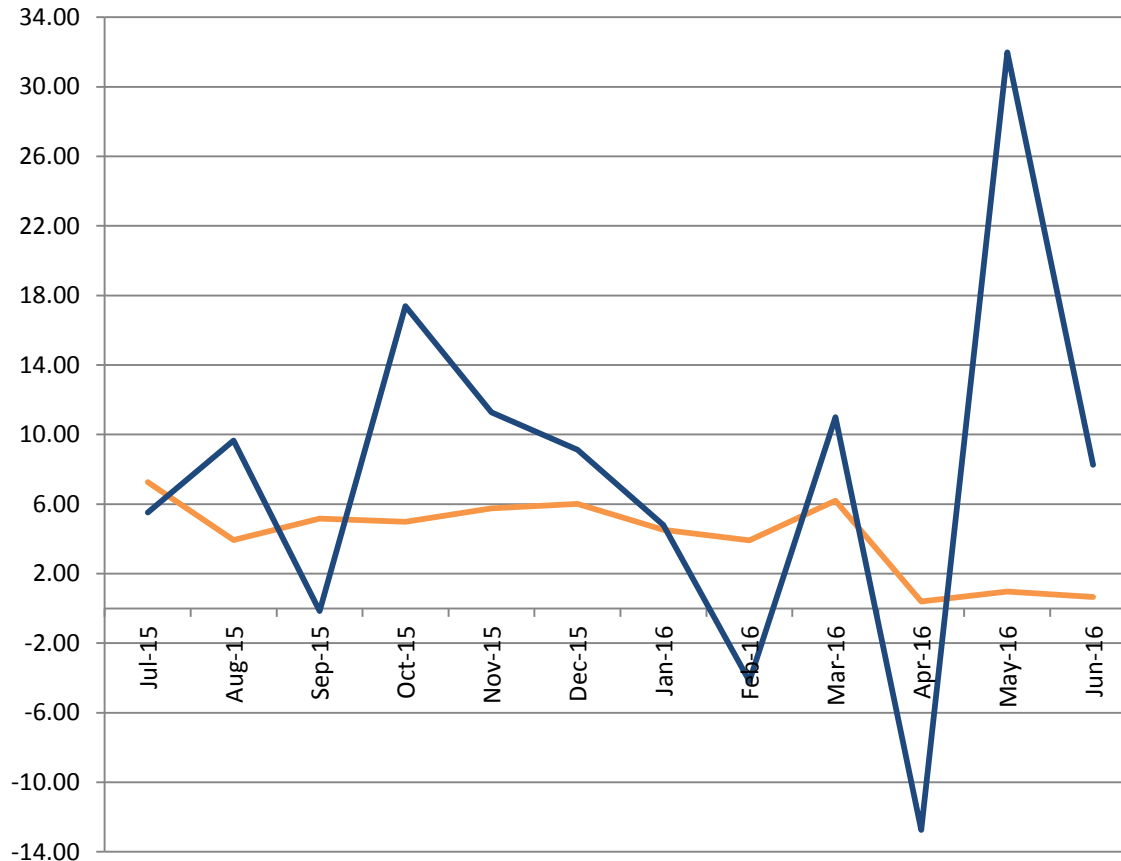


— Like For Like Sales Q2 2016 (Industry Average)
— Furniture & Flooring Sales

2016	FURNITURE & FLOORING SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	-3.71%	+0.40%
May	-11.95%	+0.96%
June	+4.09%	+0.65%
Q2 2016	-4.03%	+0.61%

Garden Centre Sales - Q2 2016

Comparable with Retail Industry Average

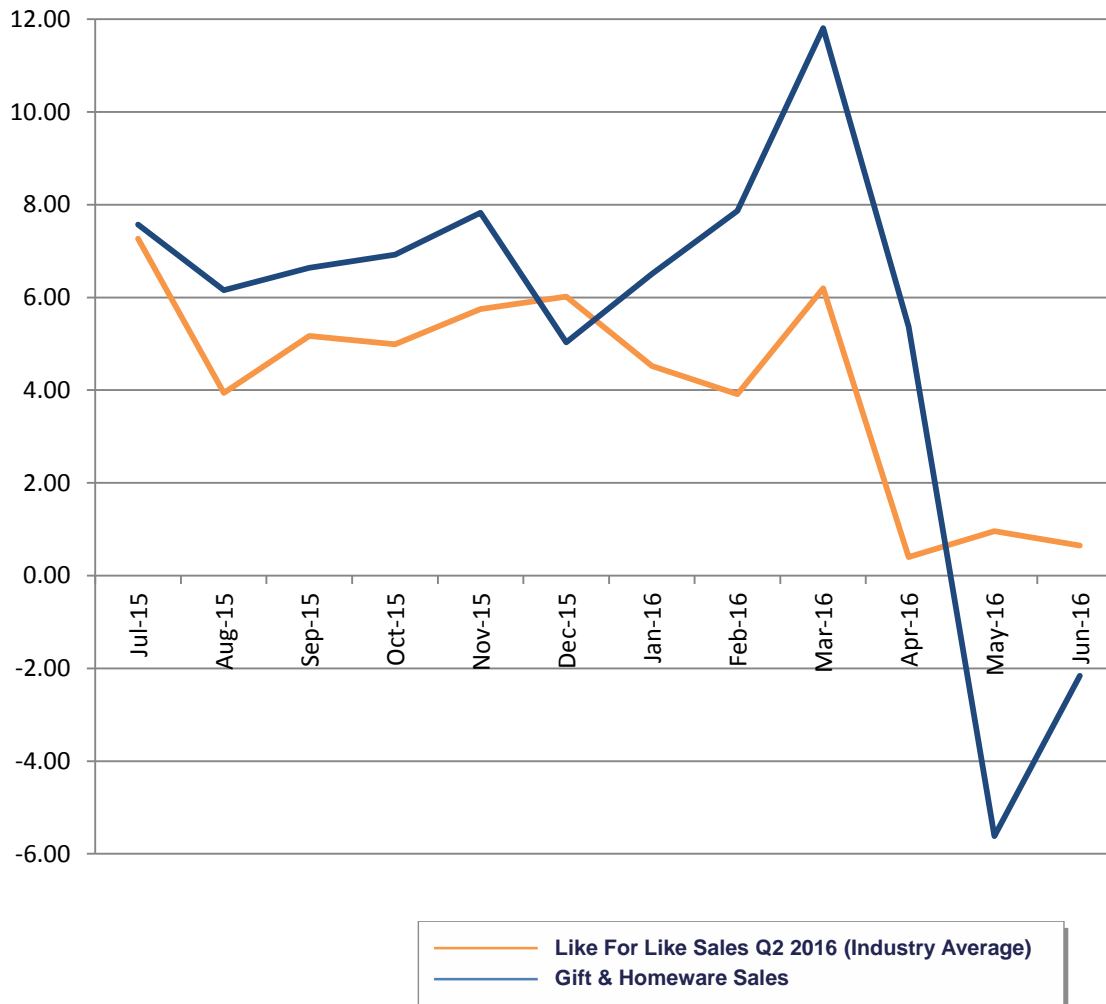


— Like For Like Sales Q2 2016 (Industry Average)
— Garden Centre Sales

2016	GARDEN CENTRE SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	-12.75%	+0.40%
May	+31.98%	+0.96%
June	+8.26%	+0.65%
Q2 2016	+9.24%	+0.61%

Gift & Homeware Sales - Q2 2016

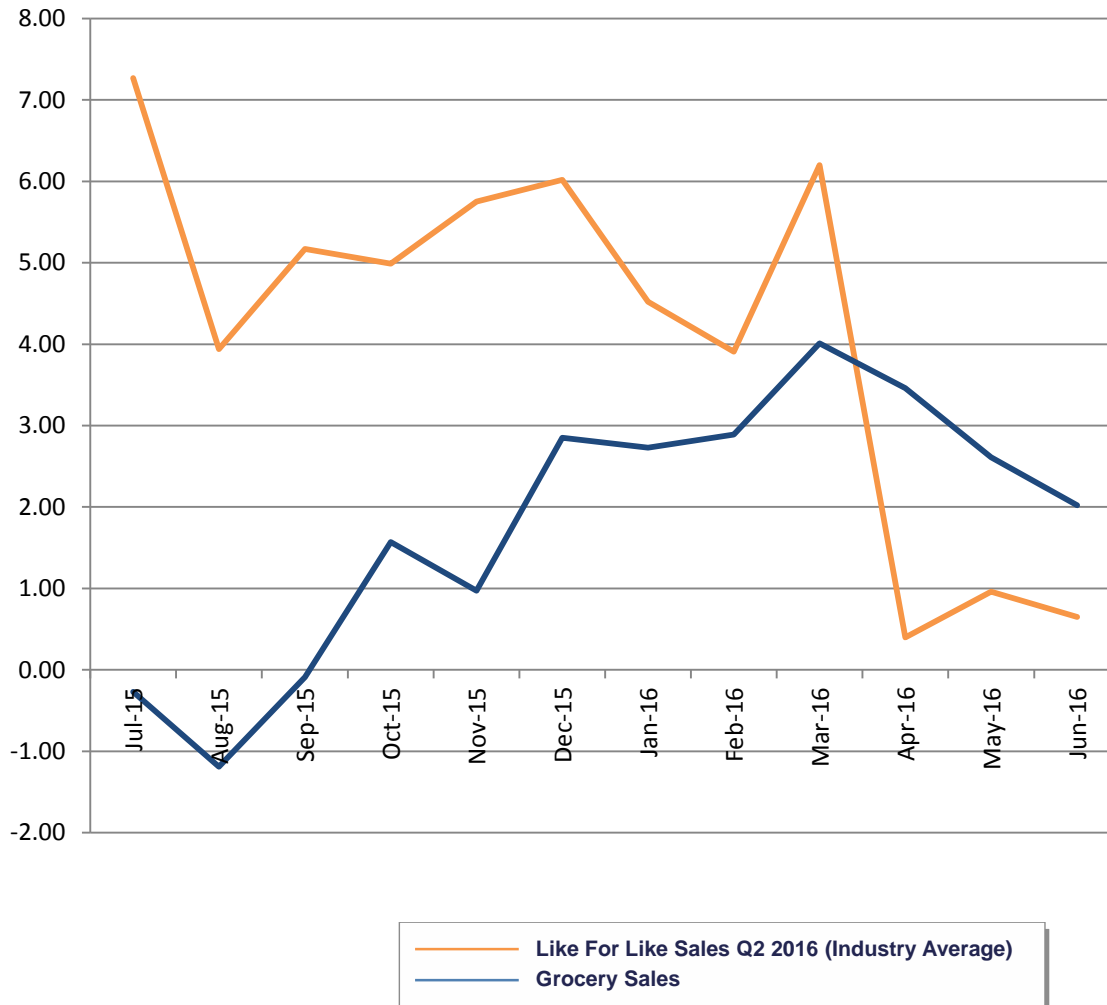
Comparable with Retail Industry Average



2016	GIFT & HOMEWARE SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+5.37%	+0.40%
May	-5.62%	+0.96%
June	-2.16%	+0.65%
Q2 2016	-0.99%	+0.61%

Grocery Sales - Q2 2016

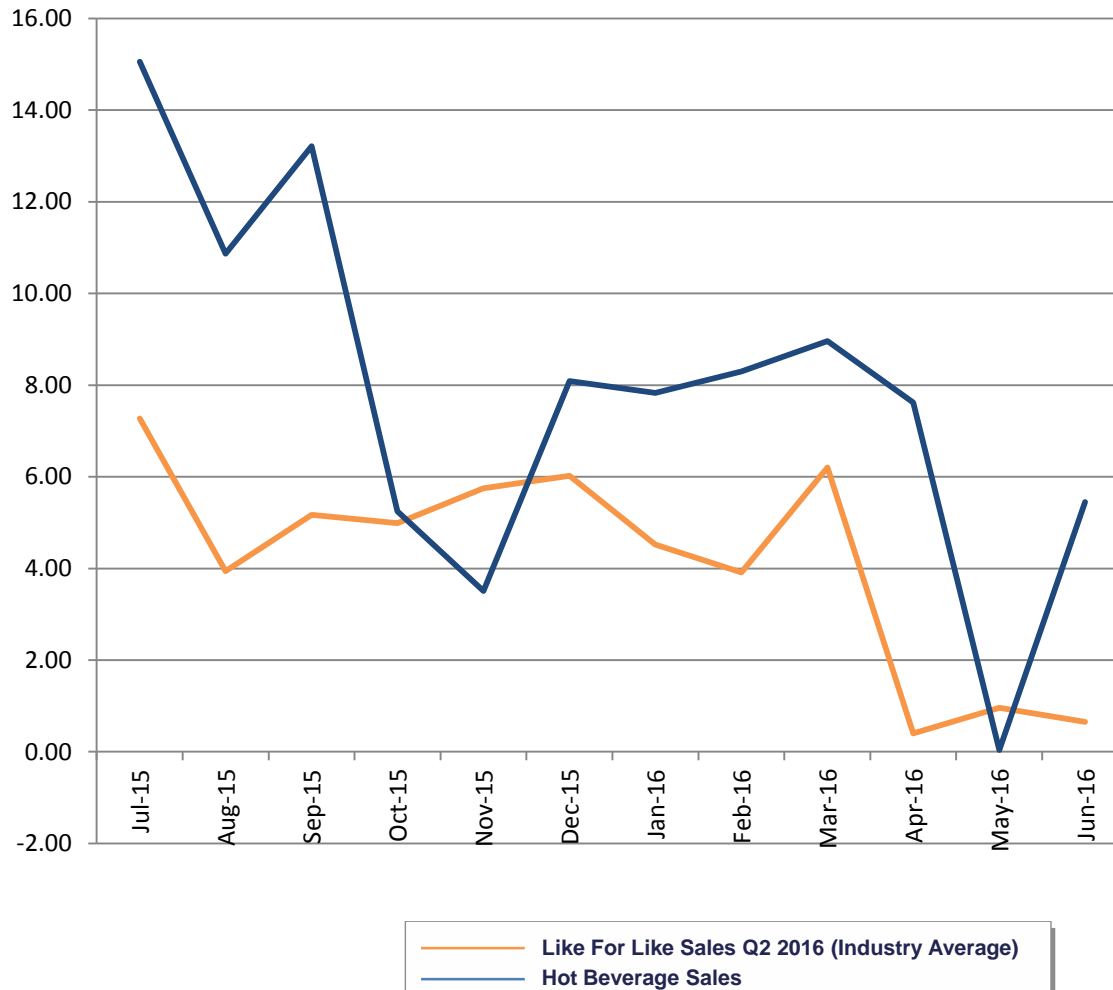
Comparable with Retail Industry Average



2016	GROCERY SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+3.46%	+0.40%
May	+2.61%	+0.96%
June	+2.02%	+0.65%
Q2 2016	+2.73%	+0.61%

Hot Beverage Sales - Q2 2016

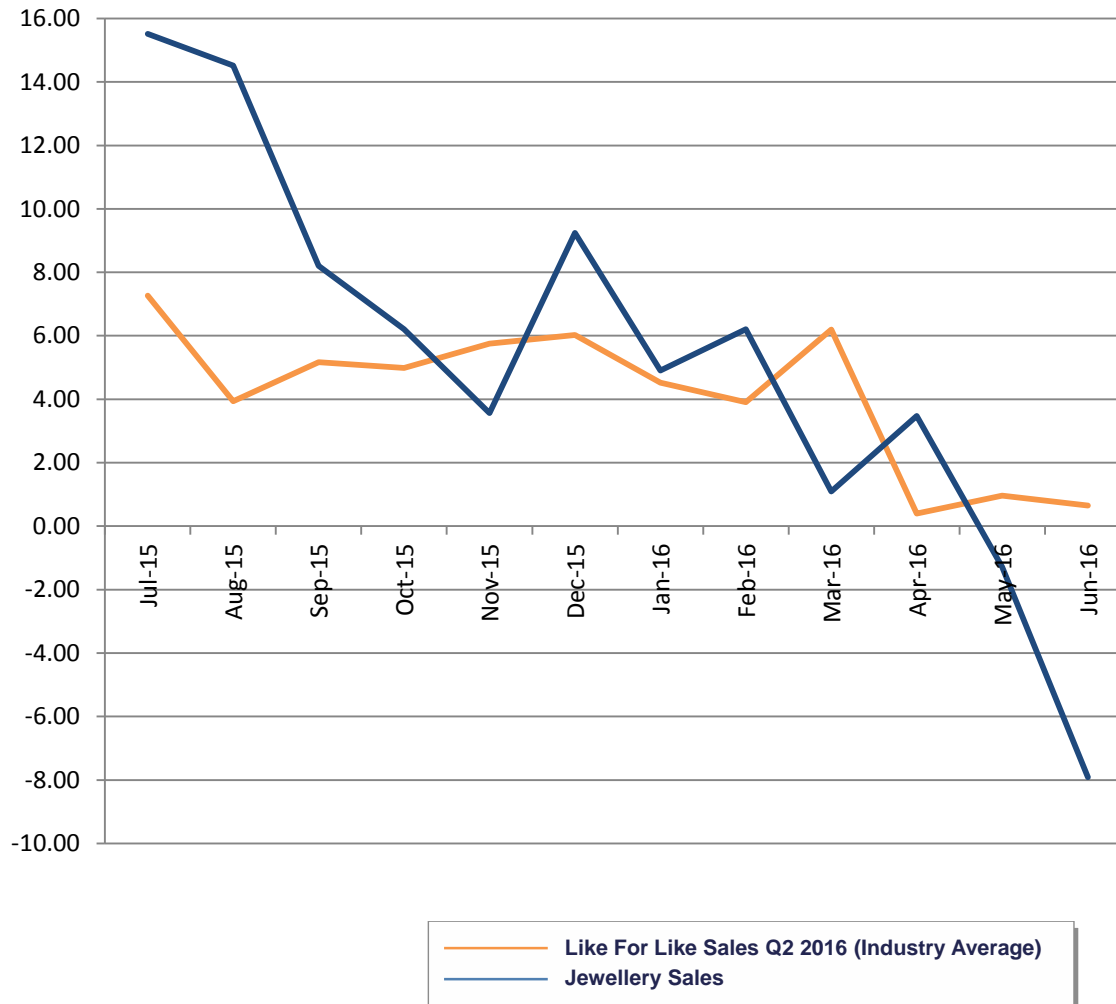
Comparable with Retail Industry Average



2016	HOT BEVERAGE SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+7.62%	+0.40%
May	+0.04%	+0.96%
June	+5.45%	+0.65%
Q2 2016	+4.12%	+0.61%

Jewellery Sales - Q2 2016

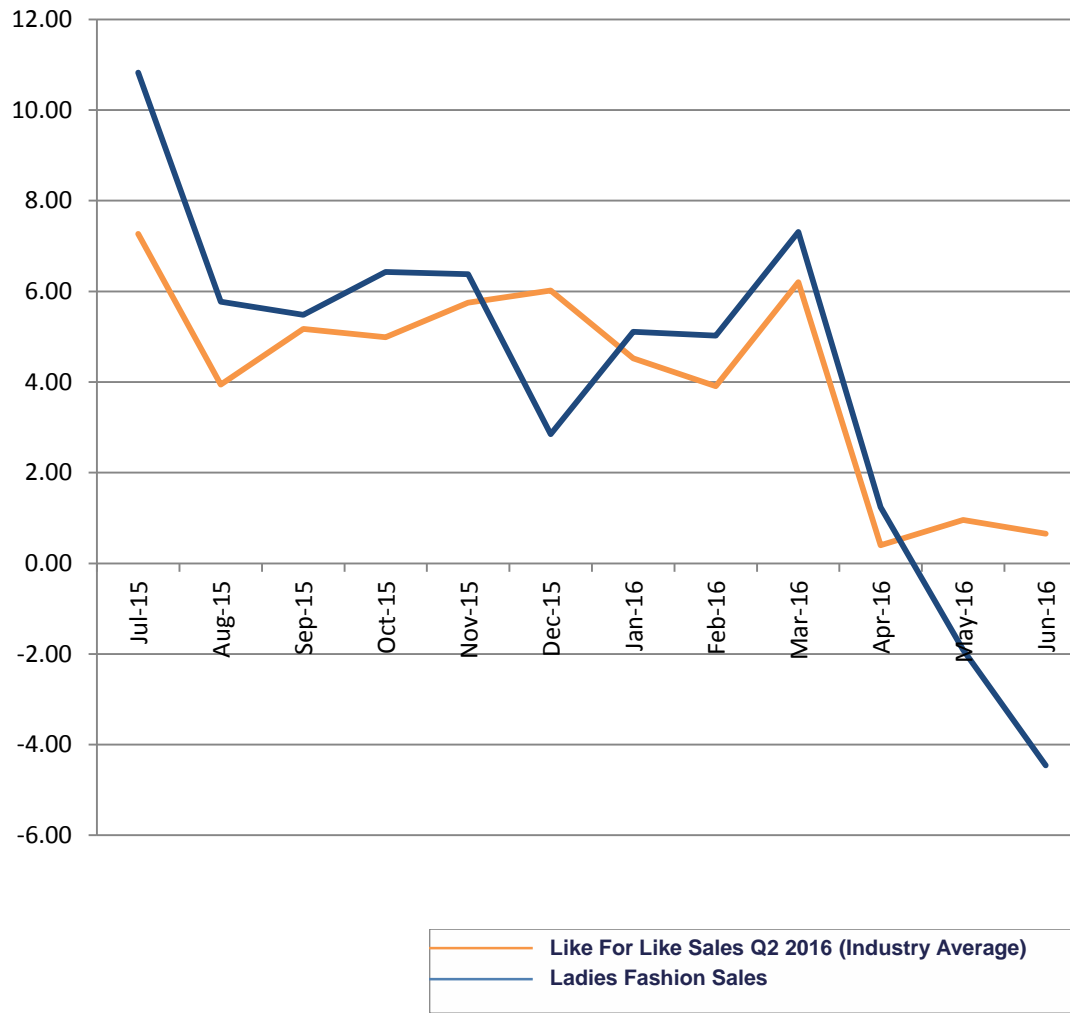
Comparable with Retail Industry Average



2016	JEWELLERY SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+3.47%	+0.40%
May	-1.29%	+0.96%
June	-7.91%	+0.65%
Q2 2016	-3.71%	+0.61%

Ladies Fashion Sales - Q2 2016

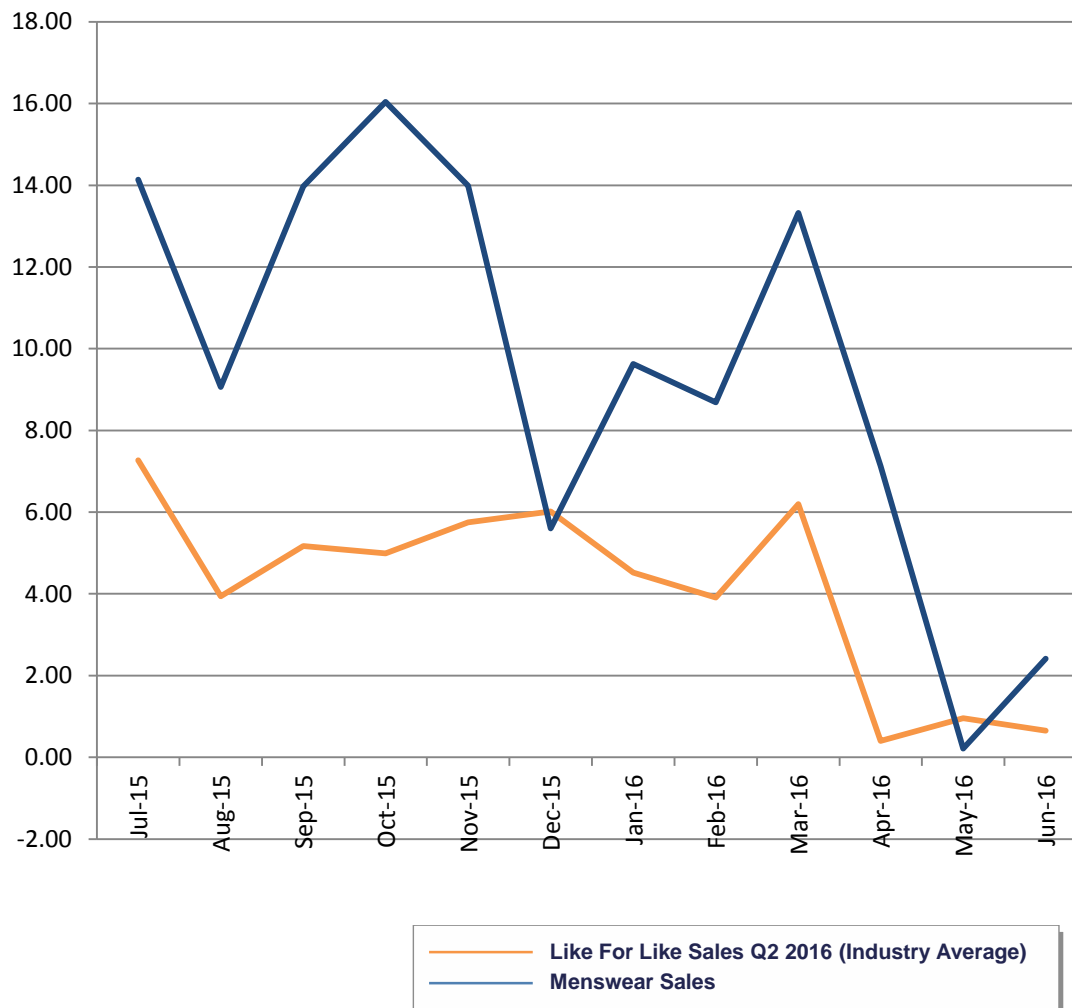
Comparable with Retail Industry Average



2016	LADIES FASHION SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+1.24%	+0.40%
May	-1.91%	+0.96%
June	-4.46%	+0.65%
Q2 2016	-2.73%	+0.61%

Menswear Sales - Q2 2016

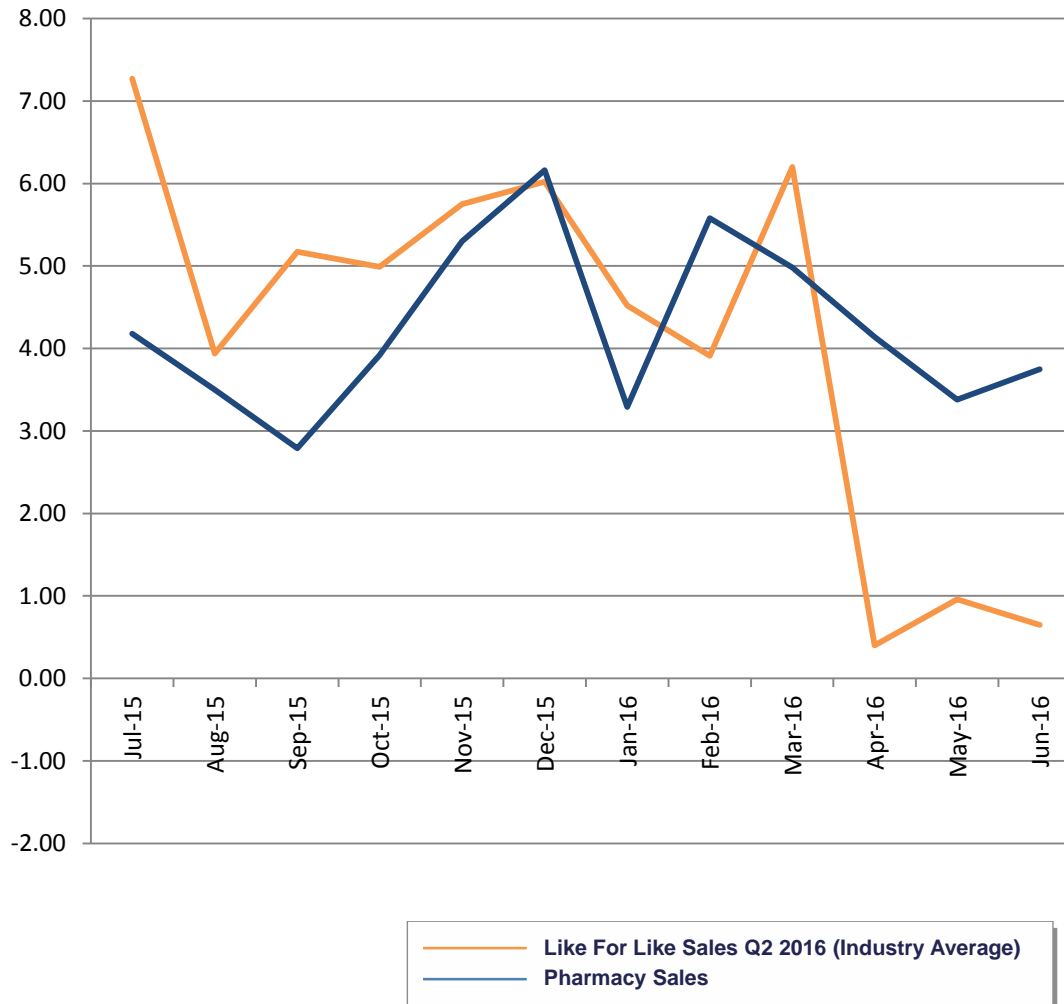
Comparable with Retail Industry Average



2016	MENSWEAR SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+7.13%	+0.40%
May	+0.21%	+0.96%
June	+2.41%	+0.65%
Q2 2016	+4.27%	+0.61%

Pharmacy Sales - Q2 2016

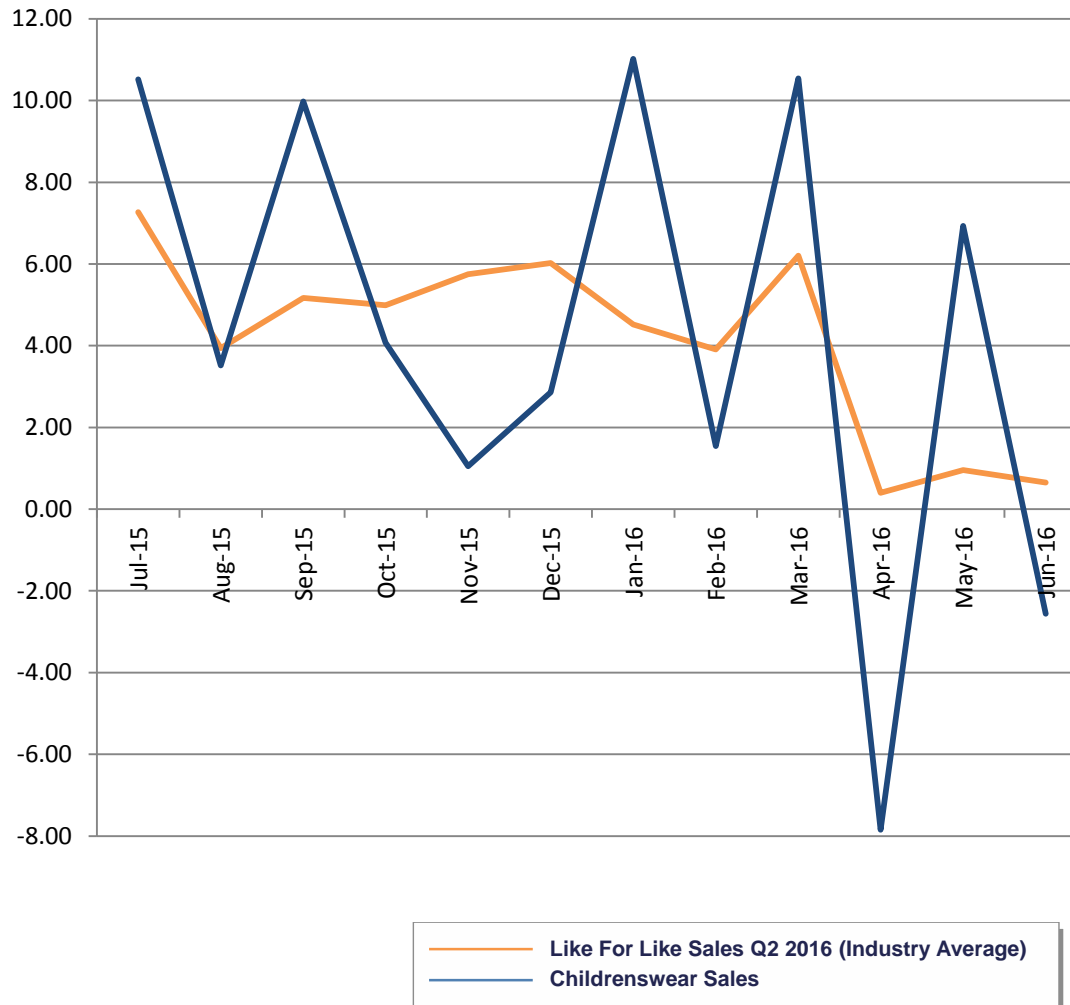
Comparable with Retail Industry Average



2016	PHARMACY SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+4.14%	+0.40%
May	+3.38%	+0.96%
June	+3.75%	+0.65%
Q2 2016	+3.76%	+0.61%

Childrenswear Sales - Q2 2016

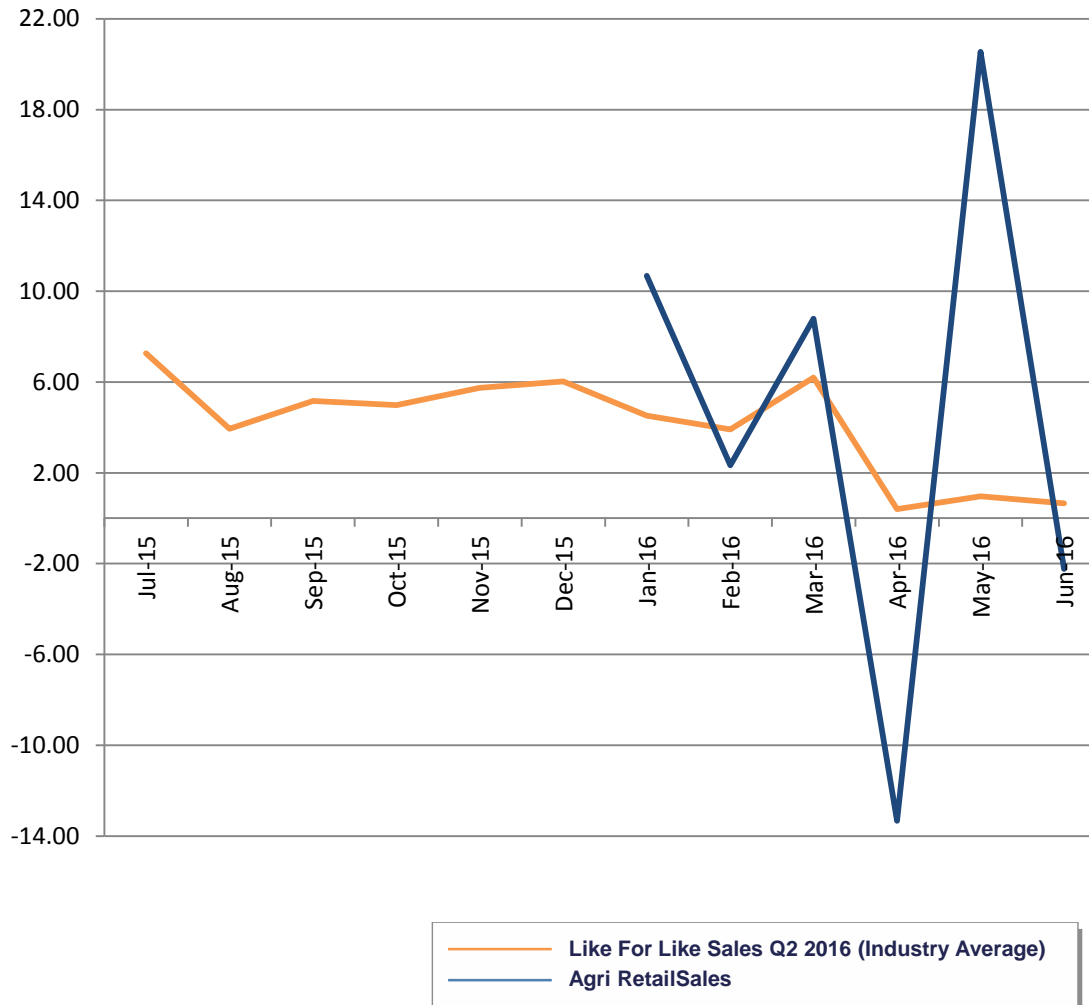
Comparable with Retail Industry Average



2016	CHILDRENSWEAR SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	-7.85%	+0.40%
May	+6.93%	+0.96%
June	-2.56%	+0.65%
Q2 2016	-2.20%	+0.61%

Agri Retail Sales - Q2 2016

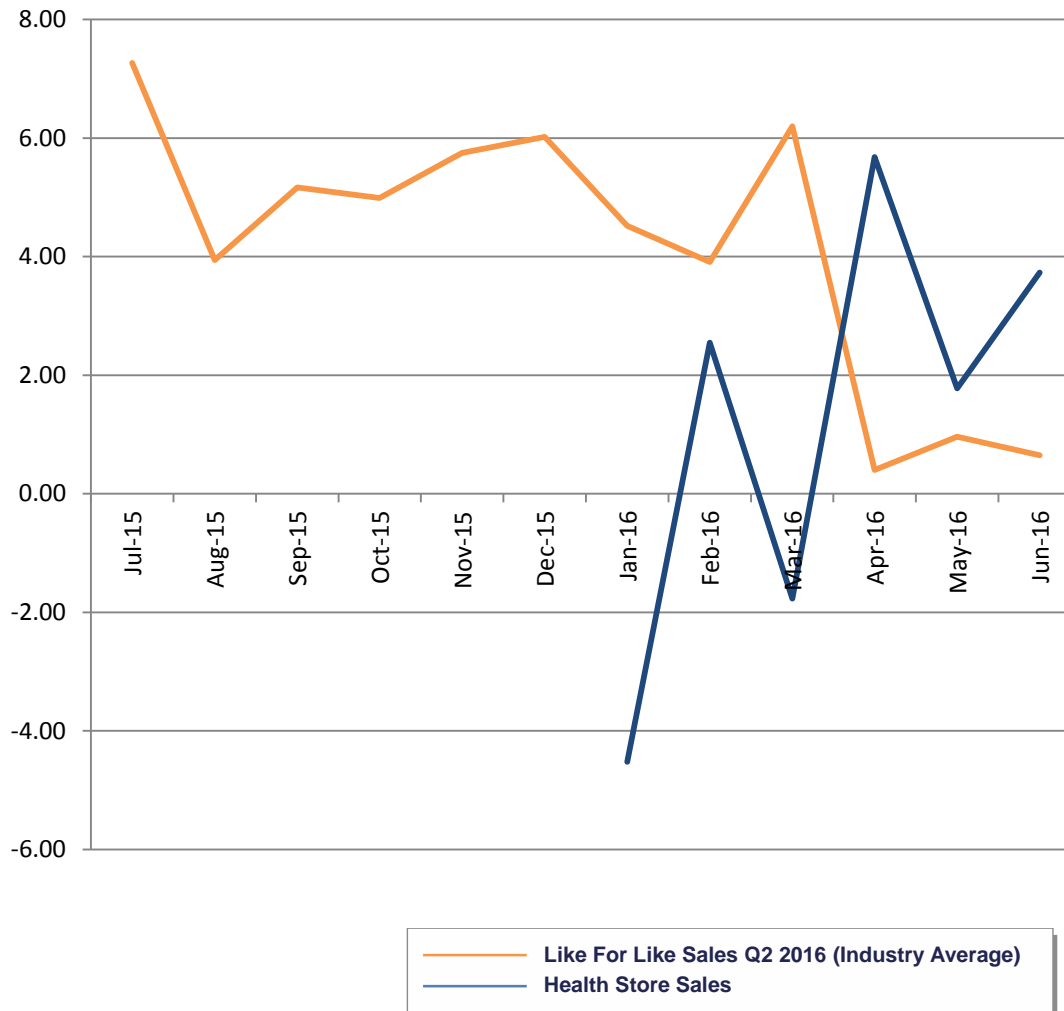
Comparable with Retail Industry Average



2016	AGRI RETAIL SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	-13.33%	+0.40%
May	+20.55%	+0.96%
June	-2.23%	+0.65%
Q2 2016	+0.89%	+0.61%

Health Store Sales - Q2 2016

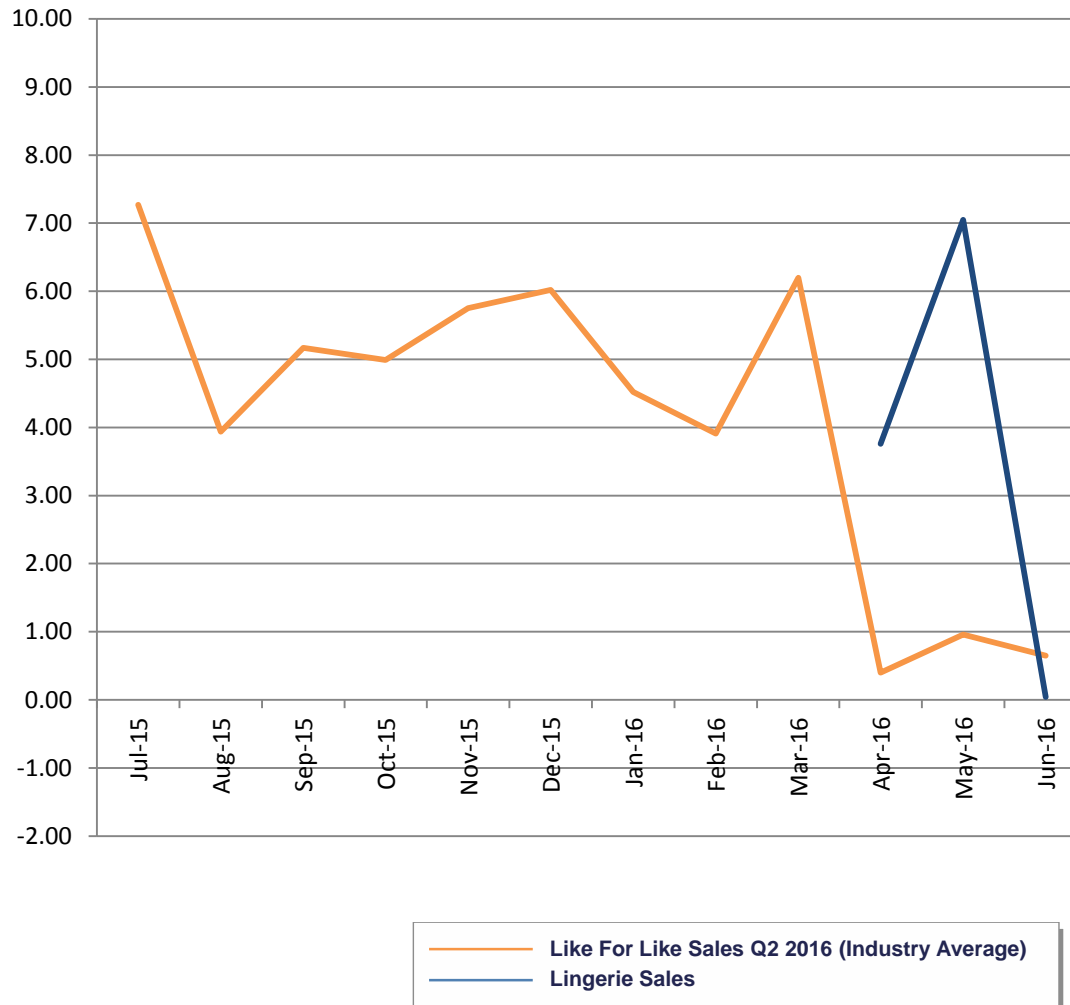
Comparable with Retail Industry Average



2016	HEALTH STORE SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+5.68%	+0.40%
May	+1.78%	+0.96%
June	+3.73%	+0.65%
Q2 2016	+2.94%	+0.61%

Lingerie Sales - Q2 2016

Comparable with Retail Industry Average



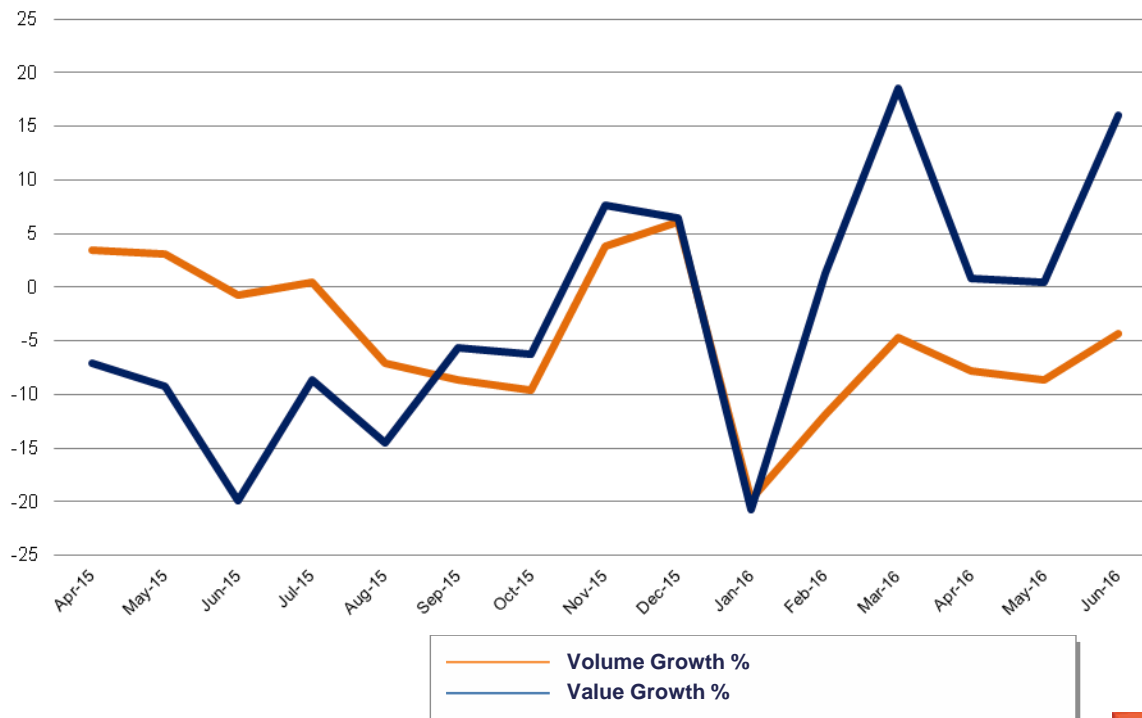
2016	LINGERIE SALES	LIKE FOR LIKE SALES Q2 2016 (INDUSTRY AVERAGE)
April	+3.76%	+0.40%
May	+7.05%	+0.96%
June	+0.04%	+0.65%
Q2 2016	+3.62%	+0.61%

Consumer Electronics (Brown Goods) Sales - Q2 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 an inconsistent beginning to the year, Q2 results for Consumer Electronics were more favourable. Although the European football championships don't normally have the same stimulus for TV sales as the World Cup, it certainly helps when the national team is taking part, and the growth for TV sales was particularly encouraging in June. As before, these are often larger screen Smart TVs and 4K products. Audio systems (multi-room and connected audio systems in particular), also stood out as an important element of the CE landscape, and there was further growth in the Wireless Speakers market.



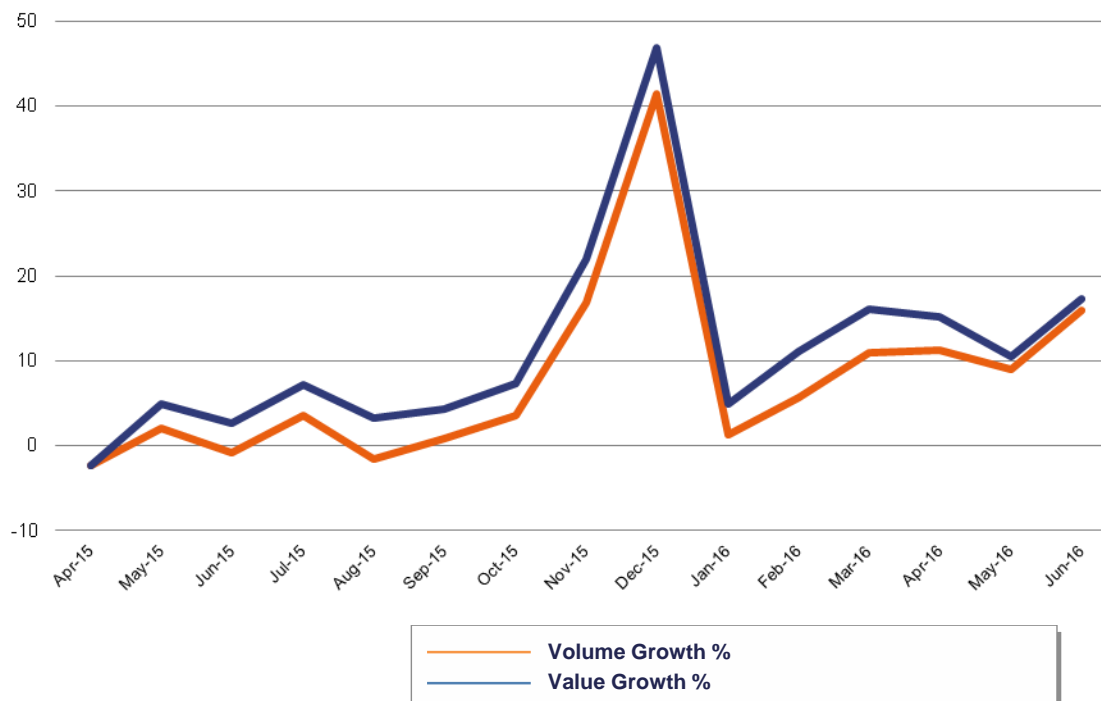
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
April	+1.00%	-7.00%
May	+1.00%	-8.00%
June	+16.00%	-4.00%
Q2 2016	+5.00%	-7.00%

Home Appliances (Major Appliances) Sales - Q2 2016

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

Commentary from Anthony Williams, Business Group Director, GfK:

Major appliances continue to perform exceptionally with both volume and value double digit gains in Q2. Crucially value is outpacing volume suggesting that the higher price points are performing well and this could mean both initial acquisitions & consumer trade up to premium goods are on the rise. Tumble dryers (+29.6% in value), freezers (+15.9% value) and refrigeration (+14.5% value) were the top three performers in Q2 but every category benefitted from double digit increases. Freestanding range cookers, side by side fridge freezers and built in single ovens were among notable high performing products many with price points above €600 demonstrating the growth of high value price brackets.



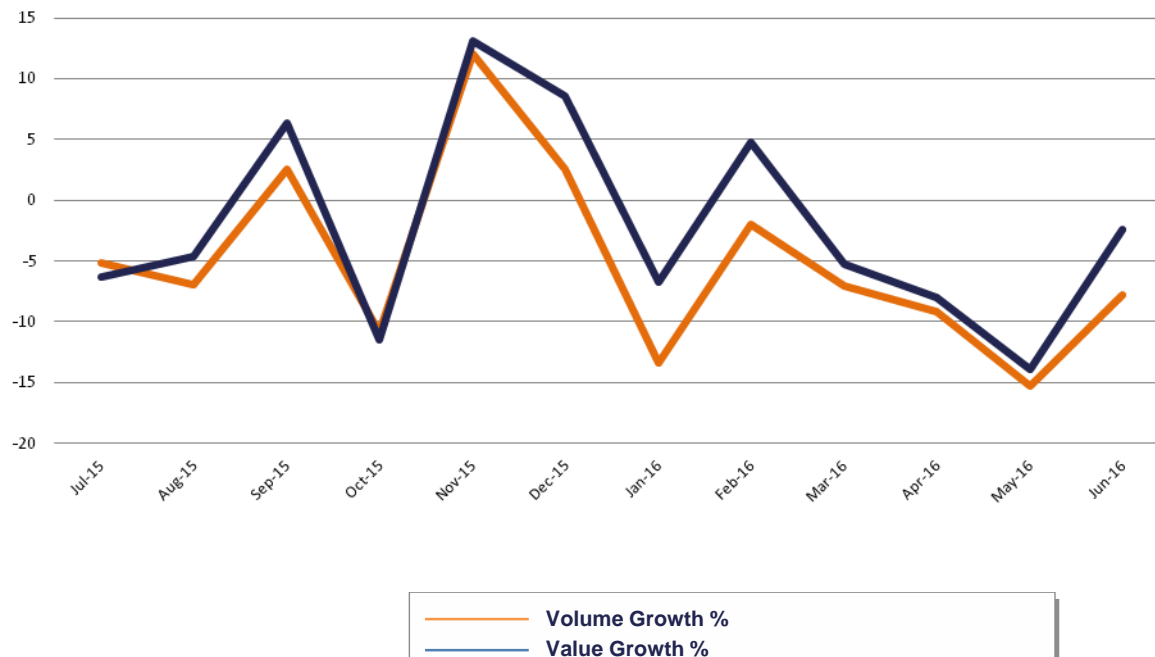
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
April	+15.20%	+11.30%
May	+10.50%	+9.00%
June	+17.30%	+16.00%
Q2 2016	+14.10%	+11.90%

Information Technology (IT) Sales - Q2 2016

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

Commentary from Kit Lewin, Account Manager, GfK:

The second quarter of 2016 saw a steep decline for the Total Computing and Tablets market in Ireland, with volumes down more than 11% and value down almost 9% across the quarter. 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, with value in particular taking a significant hit down 20.8%. Notebooks, the largest portion of the PCs market, also experienced strong decline in Q2 with average selling prices up 6.5% but market volume down 12.4%. The key area for strength within the market came from Desk Computing that was up in double digit terms across the form factors. AIOs grew 12.1% in volume terms, whilst the Traditional Desktop market saw volume growth of 5.3% across the quarter.



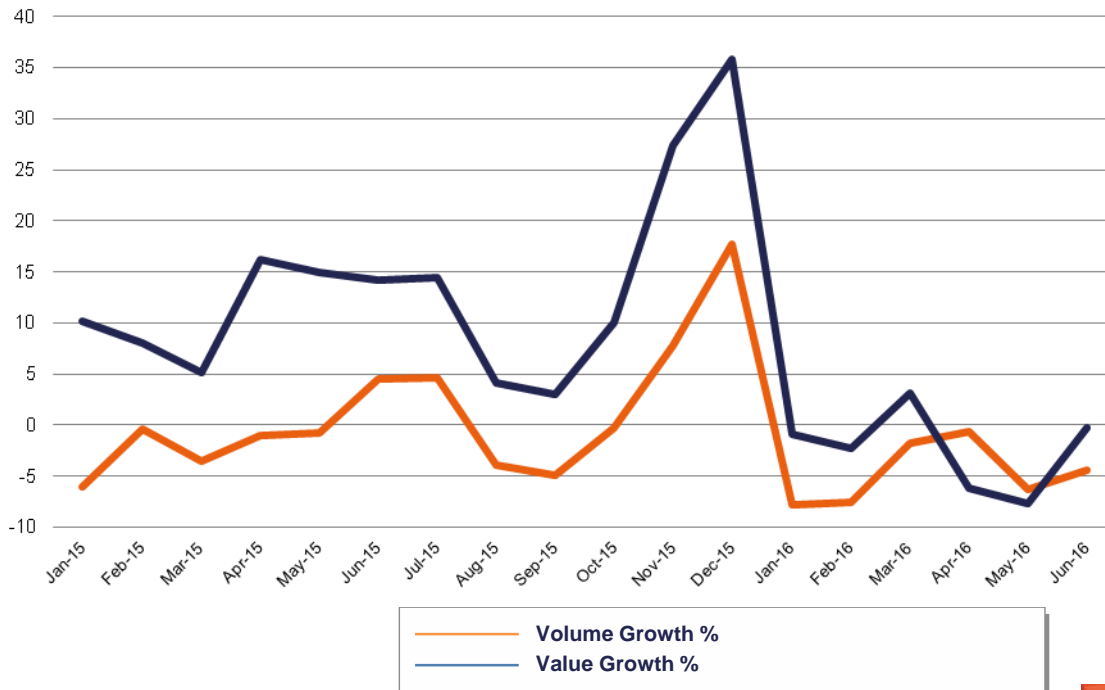
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
April	-8.00%	-9.20%
May	-13.90%	-15.30%
June	-2.40%	-7.70%
Q2 2016	-8.70%	-11.20%

Home Appliances (Small Appliances) Sales - Q2 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 Anthony Williams, Business Group Director, GfK:

Small appliances have seen a decline in sales over the last three months across a diverse range of products. Food preparation gadgets suffered the worst with value falling by 25% as food processors, kitchen machines and handheld blenders all saw a shift in demand against 2015. Liquidisers, especially those with takeaway cups, did not enjoy an anniversary of the strong peak seen over Q2 last year. This had a significant influence on overall tracked small domestic appliances as food preparation makes up a considerable share of trade. Hair stylers was another area hit, recording a double digit decline in volume and 9% fall in value. Irons (-3.9% in value) and kettles (-1.7% in value) saw weaker sales too and after a slow April and May, vacuum cleaners have started to rally in June making the category flat quarter on quarter with +0.1% growth. In fact June's value performance provides some hope of a recovery for the second half of the year.



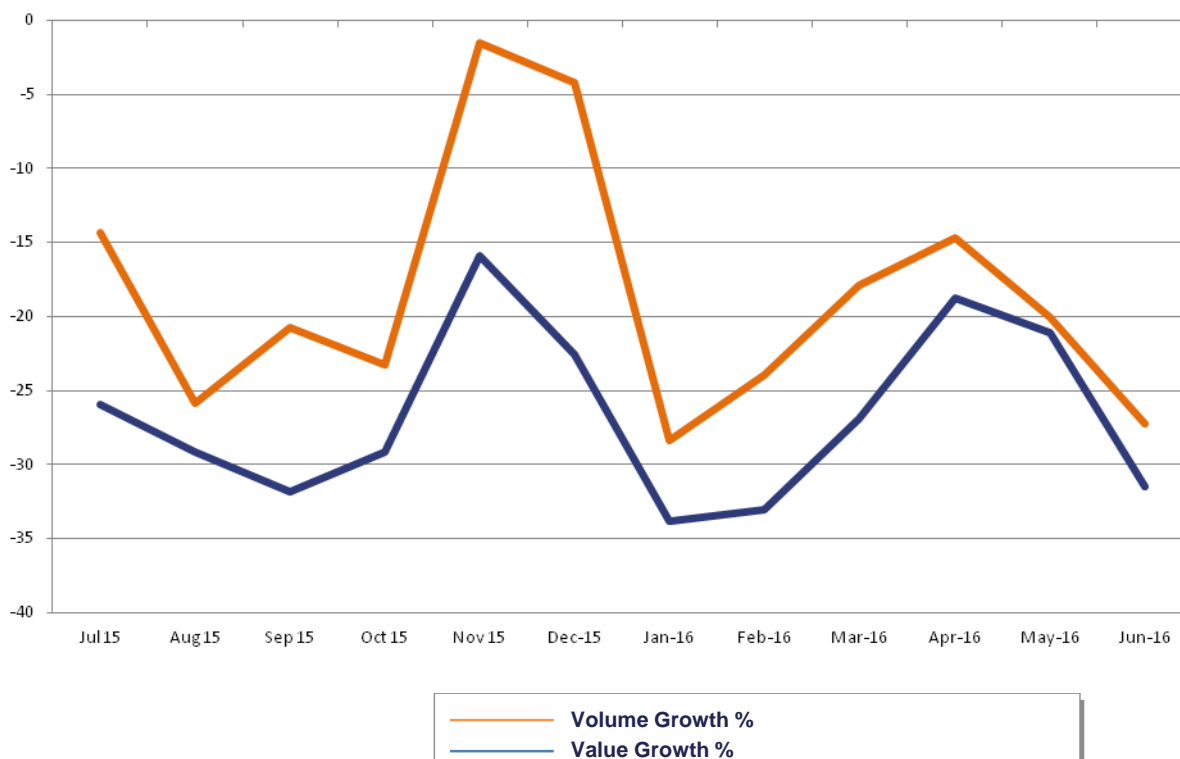
2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
April	-6.20%	-0.60%
May	-7.70%	-6.30%
June	-0.30%	-4.40%
Q2 2016	-5.00%	-4.00%

Digital Camera Sales - Q2 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 21% in Q2 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 System Cameras for example, now holds 10% of the market's value, against 8% on the same period last year. Superzoom, one of the most expensive Fixed Lens segment, was the only one to increase sales volume in the quarter; +2% in volume due to a price drop of 16%.



2016	Value Performance (Vs. 2015)	Volume Performance (Vs. 2015)
April	-15.00%	-19.00%
May	-20.00%	-21.00%
June	-27.00%	-31.00%
Q2 2016	-21.00%	-24.00%

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