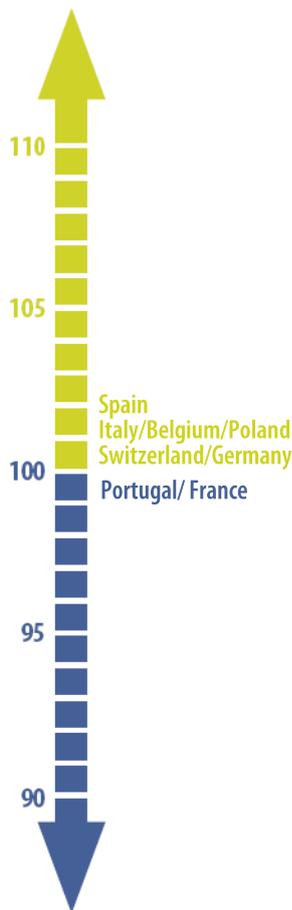


The Eurelia « Barometer » survey

Fighting with creativity and proactivity under a difficult economic context in 2014, our retail chains succeeded in remaining stable or slightly up, in most markets surveyed.



As a matter of fact, our Barometer survey shows that 2014 failed to provide strong growth in any of the 8 markets monitored.

However, if considered under a context of a European Union in which the economy has slowed down significantly, the total result 2014 can also be regarded as a performance by our retailers which made it possible to finish the year slightly up or flat in six of the markets observed, with the exception of Portugal and France (i.e. very slight decrease).

The final results 2014 enlightened moreover the following key highlights:

- The (small) positive cumulative total in Spain – a market that remains nevertheless fragile - .
- Maintained levels of sales in Poland, despite the Russian fall on the one hand and the economic slowdowns in Germany and the Czech Republic on the other, all countries to which it is closely linked.
- Less significant (but not totally meaningful either): the French last place in the rankings, where sales continue to show signs of deceleration.

Finally, the year 2014 raises the question again: what possible link between the increase in online sales and the declining sales and footfall in shopping centres, as observed in several mature countries such as Germany, Belgium and France?

[> Methodological note](#)

The Eurelia «Barometer» survey includes turnover trends for 90 member store chains, with a comparable perimeter, comparing the year in question with the previous year. According to the level of maturity of the retail structure for the countries involved, between 12 and 30+ leading sale sites (streets, shopping centres, etc.) were included in the Barometer survey for each country. The performance data of these sites is collected each month, analysed and accompanied by comments from members.

The Eurelia Barometer will be published twice a year.

Founded more than 20 years ago by Michel Pazoumian (CEO of Eurelia) and Emmanuel de Labarre (Managing Director of Procos), Eurelia is a unique support structure where retail chains can be provided with data exchange and strategic advice to set up an international strategy on 20 countries+ (Italy, Poland, Belgium, Spain, Portugal ...). Our memberships includes 90 retail chains that are expanding internationally and over 25,000 stores worldwide.

Press contact: Eurelia
31, rue du 4 septembre - 75002 Paris - France
Tél. 01.44.88.56.90 - Fax 01.40.13.76.44
e-mail: europe@eurelia.com
www.eurelia.com

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	Index	Comments
Spain ⁽³⁾	102,3	<p>The upturn in sales as observed since late 2013, has confirmed.</p> <p>2014 rounded off with a good December (+3.3%) with the year ending on a positive cumulative figure (something which has not been seen for five years). However, this much awaited sign should not lead us to forget the fragility of the situation, with high unemployment and falling salaries, not to mention political and economic challenges.</p> <p>In the retail sector, the fall in visitor numbers to shopping centres continues to be a cause for concern (as in other European markets) in addition to the rent burden, with sales halved (or even reduced to a third of their previous levels) in comparison to the pre-crisis period. The "mid-range" market is being sorely tested as a result of stiff competition and the destabilisation caused by the "low price" chains such as Primark.</p>
Poland ⁽²⁾	101,0	<p>Following a particularly difficult year 2011 in which consumption really felt the impact of the crisis, sales have been maintained and kept somewhat stable since then, varying between -1% and +1%. 2014 ended slightly up, being rather affected by a slowdown at the end of the year (November-December) whereas the first quarter had been encouraging, as had May, August and October.</p> <p>The moderate sales performances should continue in 2015 - all the more so due to the impact of the variation in the Swiss franc for households having taken out a loan in this currency-, added to a "tense" retail real estate market, with declining footfalls in shopping centres and an excess of GLA sqm provision in many towns: Lublin, Plock, Poznan, etc.</p>
Belgium	101,0	<p>Each year raises the question of a possible slowdown to come, due to a market size that is not "indefinitely extensible" (i.e. 11 million inhabitants). However, 2014 ended slightly up for the second consecutive year. The overall figures would have been even better had they not been held back by September (-13%).</p> <p>The prime shopping streets of the main towns (Brussels and Antwerp, Namur, etc.) managed to maintain rather fairly well, whereas top shopping centres revealed a little more sluggish, both in terms of results and visitor numbers.</p>
Italy	101,0	<p>After two flat years (2010 and 2011) and a year 2013 which ended at -1%, 2014 produced an unexpected (slight) upturn in this country, which is experiencing an economic slowdown and is engaged in reforms, with results that are expected to come later.</p> <p>Here, sales were clearly supported by promotions – which reduce margins significantly in return - while awaiting a clear recovery. But unlike other European countries, Italian "bricks and mortar" shops keep the advantage and remain popular with consumers, who like to examine the quality of the products by themselves.</p>
Germany	100,0	<p>The fact that sales ended at 0% in 2014 is rather surprising in view of all the "green lit" indicators in this country, which has proved to be one of the most resilient in the EU throughout the crisis. Has the German economic slowdown in 2014 led consumers to become more cautious? Or can the Internet's rising market shares account for the somewhat worrying decline in the number of people visiting shopping centers during the end of the year?</p>
Switzerland	100,0	<p>With a second consecutive year ending at 0%, the country shows signs of stabilisation after a difficult period 2011-2012 (i.e. -6% and -4% respectively). But, for 2015, the no longer fixed exchange rate for the Swiss franc brings back a source of uncertainty: could cross-border "retail tourism" restart vigorously as a consequence?</p>
Portugal ⁽³⁾	99,6	<p>The year ended slightly down, as did 2013; only the household equipment retail sector registered growth.</p> <p>If the background context remains with no doubt globally favourable, 2014 witnessed however that a strong recovery in sales is still not a sure bet.</p>
France ⁽¹⁾	99,4	<p>Business activity in the specialised retail sector recovered in December to finish at +2.2% compared to December 2013, according to the Procos monthly panel survey, with a compatible perimeter (i.e. 50 store chains questioned about their performance in 50 sites located in 15 urban areas).</p> <p>But the annual year-end cumulative figure at -0,6% reflects the difficulties in going back to the pre-crisis performance levels as registered in 2009.</p> <p>For the end of 2014 more especially, the increase in online sales (i.e. +10% in comparison to Christmas 2013) combined with a falling household budget for Christmas shopping (approximately -4.5%) both proved to be major hurdles.</p>

(1) Source Panel Procos

(2) In local currency (zloty)

(3) Analysed in partnership with the Retail & Trade Marketing agency of Barcelona, the co-founder with Eurelia of the Eurelia Spain/Portugal - Retail & Trade Marketing retailers' federation