

The Eurelia Barometer Survey - First quarter 2010

Slight recovery in specialist stores

Globally, the first half of 2010 shows two great similarities between the 8 countries included in the barometer survey :

- **Growth, measured insofar as it has evolved against a weak past record. In absolute values, it does not necessarily live up to sales levels achieved in 2008.**
- **March was a positive month, «inflated» because of the extra working day (cf. the Easter date change).**



⁽¹⁾ In local currency (zloty)

⁽²⁾ Analysed in partnership with the Retail & Trade Marketing agency of Barcelona, co-founder with Eurelia of the Eurelia Spain/Portugal -Retail & Trade Marketing retailers' federation.

> Methodological notes

The Eurelia « barometer » survey shows the prevailing turnover trends of the 90 member retail chains based on a comparable perimeter (for the current year compared to the previous year). According to the level of maturity of the retail infrastructure in the countries studied, from 12 to more than 30 leading retail sites (streets, shopping centers) are included in the barometer. The performances on these sites are collected on a monthly basis, analyzed and further enhanced thanks to commentary from members. The Eurelia Barometer is published every quarter.

Founded 19 years ago by Michel Pazoumian, General manager of Procos and Emmanuel de Labarre, Eurelia enables specialised retail chains to learn more about new countries offering potential sites for their businesses, providing a thorough analysis of the retail dynamics of the European markets, studies of the major European cities in addition to a database of retail projects.

In 2010, Eurelia represents 90 specialised retail chains expanding internationally, and more than 25,000 sales outlets around the world.

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Spotlight on Spain: A positive, but weak trend in Spain

After a negative year in 2008 and a similar first quarter in 2009, the drop in turnover in Spain slowed down in the last quarter of 2009 with a positive month in December (+3.7%). The objective for 2010 is to maintain this trend.

This has been achieved during the first quarter of 2010 where a slightly positive trend has been recorded.

The impressive action of retailers must be applauded as they have been able to brave out the crisis by directing efforts towards maintaining prices, the range of products available, promotions, restructuring existing stores and, of course, by taking drastic measures in managing their networks, such as negotiating reductions in rents or simply closing stores.

Certain regions less dependent on property and tourism are more resistant to the effects of the economic climate; all the same, regions devoted to tourism (from Valencia to Cadiz) are still having a hard time despite a positive recovery in this sector during March, followed, unfortunately, by a drop in visitors in April due to the volcanic ash cloud disturbing air traffic. Nevertheless, the outlook for summer 2010 remains optimistic.

Results also vary with commercial density.

On the one hand, the arrival of new retail offer in certain regions has led to additional «pressure». In Madrid, the excessive number of commercial sqm opened recently (H2Ocio, Islazul and La Gavia) made revenues from existing shopping centres drop dramatically.

On the other hand, in Barcelona, business is holding its own in the absence of recent openings. The big shopping avenues such as P^o Gracia and Catalunya Place in the city-centre are still achieving excellent results and continue to make headway, as do the streets in Bilbao, Zaragoza or Pamplona's city-centres.

Spanish forecasts for the remainder of the year are uncertain. How will the Spanish consumer react in to the increase of VAT, reduction of salaries for civil servants and the political climate?

One large objective remains in this context: to maintain the positive trend, however miniscule, in 2010.

Retail & Trade Marketing is an independent marketing agency based in Barcelona. It carries out expertise marketing and consumer behaviour expertise and studies for leading store chains and developers (CONFORAMA, METROVACESA, IVANHOE CAMBRIDGE. ...).

Eurelia and Retail & Trade Marketing joined forces 20 years ago to set up a Federation of retail chain: Eurelia Spain/Portugal – Retail & Trade Marketing. Via this joint organisation, they provide their members with a unique form of support in order to assist them with their expansion strategies in the Spanish and Portuguese markets, including: city reports (more than 50 studies are available), a monthly turnover panel, tailored strategic advice for each retail chain, legislation watch, a database of retail projects under development, a database of rent levels, the organization of six meetings per year...

The federation currently includes the best performing Spanish, French and international retail chains in the Spanish and Portuguese markets: S A SEC, FOSCO, IF, INTERSPORT, CELIO, IMAGINARIUM, LEVIS, ILLUSIONA, CINESA, FNAC, KIABI, SEPHORA, YVES ROCHER, GENERAL OPTICA, LA GRANDE RECRE, BED'S, SERGENT MAJOR...

Together, these store chains account for 4500 sales outlets in Spain. www.eurelia.com - www.retailtrade.es