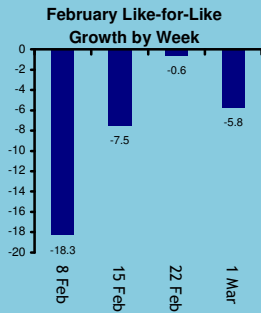


Overview

-8.1%

Feb 2008: +1.6%



Fashion

-9.7%

Feb 2008: +0.3%

Non-Fashion

-3.7%

Feb 2008: +6.4%

Homewares

-8.0%

Feb 2008: -3.9%

Cold comfort on the high street

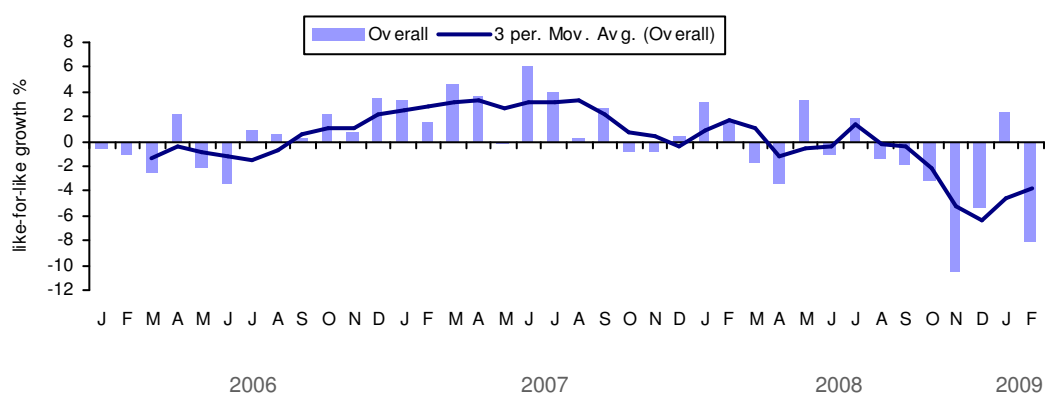
- Medium sized retailers reported weak demand in February with sales returning to the sharply negative levels experienced during the last quarter of 2008. **Overall, like-for-like sales across mid-market retailers decreased by 8.1 per cent in February compared to last year.**
- Demand was negatively impacted by severe weather conditions during the first two weeks of the month with many retailers then finding it extremely difficult to recover from this bad start. In addition, a calendar timing difference with Mother's Day knocked like-for-like takings during the last week.
- Fashion retailers in particular were hit hard with consumers reluctant to buy new Spring ranges given the bad weather conditions during the first half of the month. There was also a suspicion that consumers were deferring purchases in reaction to higher prices following heavy discounting in January.
- Rupert Eastell BDO Stoy Hayward Head of Retail and Wholesale said "As we feared in January, sales have quickly reverted back to pre-Christmas negative levels. Although there were a lot of one off events in February that have distorted the picture, it is clear that consumers remain wary of making any purchases unless they are discounted heavily. Value is still very much at the forefront of shoppers minds"
- **Fashion retailers experienced a very difficult month with sales down 9.7 per cent.** Demand was reported to be soft in most areas with scant sign of any seasonal uplift.
- In general, the only exceptions were specialist stores with strong outdoor ranges and youth leaning retailers, although this was by no means universal.
- **Non-fashion like-for-like sales dropped by 3.7 per cent.** The timing difference with Mother's Day probably accounted for a significant proportion of this decline, while the weather was also unhelpful.
- Although gifts and luxury were the strongest performing sectors, there were also some signs that demand for luxury goods, although still up on last year, is beginning to peter out.
- **Homeware sales dropped for a seventh consecutive month, with takings decreasing by 8.0 per cent.** However, there were some signs that demand for larger ticket purchases such as furniture and lighting is beginning to stabilise.

The High Street Sales Tracker outlines weekly like-for-like sales changes of some 70 mid-tier retailers with c10,000 individual stores across **Fashion**: accessories, clothing, footwear. **Non-fashion**: general household goods, gifts, health & beauty, leisure goods. **Homewares**: cookware, furniture & floorcoverings, lighting, linen & textiles.

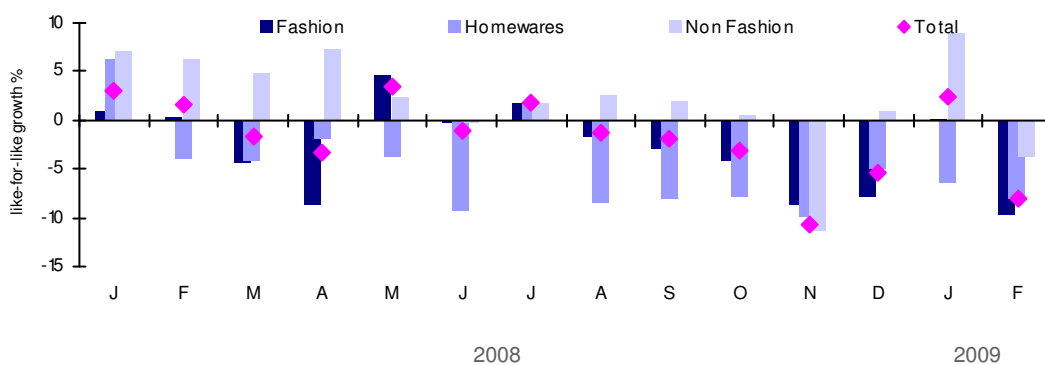
Weekly Like-for-Like Results February 2009

Like-for-like growth %	Wk 1 (w/e 8/2)	Wk 2 (w/e 15/2)	Wk 3 (w/e 22/2)	Wk 4 (w/e 1/3)	Total Feb
Fashion	-23.1	-10.6	+0.4	-5.0	-9.7
Non Fashion	-8.3	+3.2	-0.6	-8.1	-3.7
Homewares	-4.3	-12.0	-10.1	-5.0	-8.0
Overall	-18.3	-7.5	-0.6	-5.8	-8.1

Monthly Like-for-Like Results 2006-2009



Monthly Like-for-Like Results by Sector 2008-2009



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