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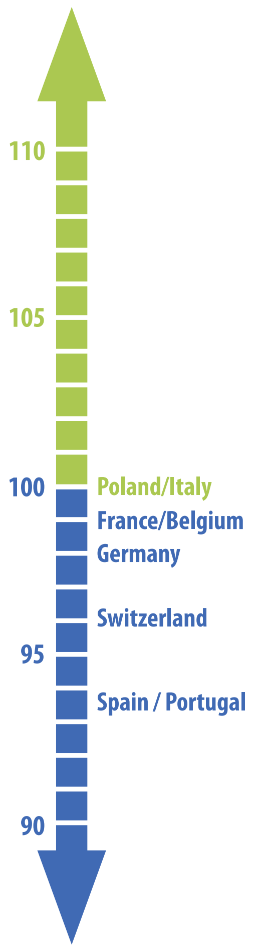
Press release – February 2013

Eurelia Barometer

2012 confirmed the sluggish trend observed in 2011, with a general impression of depletion in all markets



For the eight countries tracked by the barometer survey, total year 2012 ended with no growth and with 12-month cumulated figures which stood at 0% "at best".

As a matter of fact, the second half year did not bring the expected signs of a possible recovery.

As a result, there is cause for concern for 2013 in the eight markets covered by the barometer survey without any exception, considering that the capacity of consumption resilience may come to an end after having absorbed shocks for 2 years already – even 4 years for some markets –.

At the opposite, e-commerce sales 2012 continued their "immodest" rise in all markets whether mature or emerging, which points out - once more and unequivocally - that the economic and consumption crisis faced by the 8 markets adds to a social mutation in purchasing patterns where the role of the «physical» stores is questioned in a new multi-channel retail model.

> 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 twice a year.

Founded 20 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 2013, Eurelia represents 90 specialised retail chains expanding internationally, and more than 25,000 sales outlets around the world.

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> The Eurelia «barometer» survey : 2012

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Poland[1]	100	After a rather good Q3 2012, retail sales significantly slowed down in the end 2012 (November +1%; December 0%) which produced a flat year. This result can however be regarded as quite "correct" since 2011 ended up with a negative variation (-3%) and considering as well, that the consumption context has heavily hardened in the end 2012 (declining footfall in shopping centers…). It may nonetheless announce a gloomy consumption in 2013 due to the rising unemployment rate - especially for the young people - and the repayment of household debt.
Italy	100	Eurelia members managed to maintain retail sales despite the fact the country is facing a severe crisis in consumption; 2012 was even qualified by some experts as the "worst post-war year" ever. Promotions and other in-store marketing operations were largely used to improve sales so that November and December could stay in the black (+1% and +4%), bringing the 12-month cumulative total to 0 % for the second consecutive year (i.e. 0% in 2011), following on from a year 2010 which ended at +0.9%. But there is a serious source of concern over the year 2013, raising the specter of a possible fall into a Spanish scenario ...
France	99	The slight improvement observed during the first quarter 2012 (+2.1%) was finally absorbed by the downturn trend in the following months. Retail sales 2012 ended at -0.9% year-to-year. And, if observed over a longer period, retail turnovers have still not caught up the levels they had before the crisis of 2009.
Belgium	99	Retail sales 2012 were impacted by a bad summer 2012 (summer sales season); as a consequence, the rather correct results in November (+1%) and December (+4%) were not sufficient to curve back the cumulated total, which ended with a slight decrease (-1%). However, even if "slowed down" by the crisis, the Belgium market reveals once more as quite steady in the "turmoil" (i.e. -1% in 2012; +1% in 2011). Will it be still the case in 2013: or should the several downturns observed in business 2012 be interpreted as signs for a sharper negative trend to come?
Germany	98	Despite a good start to 2011 (i.e. first semester which ended up positively), the decrease in consumption nevertheless caught up the country in the second half - as more especially the case for Q4 2012 which showed a negative variation for our members - . As a consequence, the 12-month cumulative total 2012 declined by -2% for the 2nd consecutive year (i.e. -2% in 2011).
Switzerland	96	H2 2012 was better than H1 2012. Could it be regarded as a possible effect of the fixed exchange rate which was set up among other things to curve the retail tourism in the French greater Geneva area? As a result, turnovers 2012 improved slightly compared to 2011 but remained nonetheless in the red (-4% in 2012 after a -6% in 2011); they have not recovered the level they had in 2010, in addition to a context of sharp price deflation over the past 2-3 years.
Spain[2]	93,5	The VAT increase that occurred early September has severely affected the household consumption; the decline in turnovers was important and general in the year-end. The Northern regions which had resisted better so far entered decline. Shopping center footfall continued to fall throughout the year. Consequently, the 12-month figure 2012 ends with a major negative variation, as the case already in 2011.
Portugal[2]	93,5	Propensity to consume remains moderate. But unlike Spain, sales have somewhat improved at the end of the year 2012 and the shopping center footfall has stabilized. However, retail sales 2012 ended up with a sharp decline (-6,5% to 2011).

(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*

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