

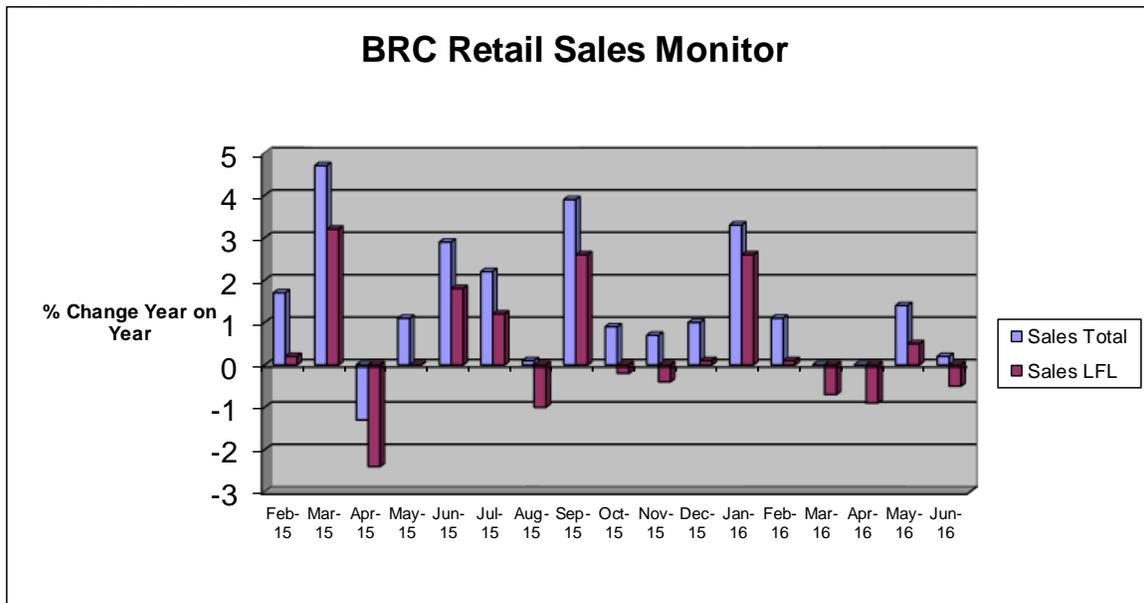
July 2016

The Numensa Quotient

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Market Overview



Source: British Retail Consortium Retail Sales Monitor

Brexit effect still unknown

- BRC data shows UK retail sales decreased by 0.5% on a like-for-like basis from June 2015 when they had increased 1.8% against the previous year. On a total basis, sales were up 0.2% compared to a rise of 2.9% in 2015. On a three-month basis total sales growth was 0.5% with the 12-month average at 1.2% which was the lowest 12-month average since May 2009.
- Furniture and home accessories rebounded during the month with big-ticket items proving to be quite resilient in the days following the referendum. Fashion and footwear sales fell sharply as a result of the wet and grey start to summer. Food sales

rose 0.8% in the three months to June, helped by Euro 2016, but then fell again following the surprise EU referendum result.

- Online non-food sales were up 9.0% in June against an increase of 17.6% for the same period last year. Online sales represented 20.6% of total non-food sales for June. In the three-months to June online sales of non-food products increased by 9.7% year-on-year, however, store sales fell by 1.9% on a total basis and by 2.2% on a like-for-like basis during the same period.

Company Results

Company	Period	Total Sales %	LFL Sales %	Profit Before Tax	Details
John Lewis Partnership	Week to 23 July 2016	+2.8% £204.54m			John Lewis Dept Stores down -4.3%, Waitrose up +7.2% (exc petrol)
Halfords Group plc	Q1 13 weeks to 1 July 2016	+2.1% (Grp Rev) +1.5% (Retail Rev)	-0.6% (Grp LFL) -1.2% (Retail LFL)		
Debenhams plc	15 weeks to 11 June 2016	+0.5% (Grp Gross Transactional Value)	-0.2% (Grp LFL)		Online sales up +7.0%
Debenhams plc	41 weeks to 11 June 2016	+1.3% (Grp Gross Trans Value)	+0.7% (Grp LFL)		Online sales up +9.1%

Company	Period	Total Sales %	LFL Sales %	Profit Before Tax	Details
Marks and Spencer Group plc	13 weeks to 2 July 2016	-0.4% (Grp Sales reported) -0.9% (Grp Sales @ constant currency) -1.1% (Total UK Sales) -	+4.3% (UK LFL) -0.9% (Food LFL) -8.9% (Clothing & Home LFL)		Intrnl Sales up +0.7% (@ const currency); M&S.com up +0.5%; Total Food sales up +4.0% with Clothing & Home Total sales down - 8.3%
Ted Baker plc	19 weeks to 11 June 2016	+11.3% (Grp Rev) +12.7% (Retail Sales)			E-com Sales up +32.3%
Dixons Carphone plc	12 months to 30 April 2016		+5% (Grp LFL) +6% (UK & Ireland LFL)	+17% £447m (Headline Profit b4 tax)	
Mothercare plc	Q1 15 weeks to 9 July 2016	+2.7% (Grp Worldwide Sales) -2.1% (UK Total Sales) +3.9% (Intrnl Retail Sales @ const currency)	+1.2% (UK LFL)		Online UK sales up +6.4%

Company	Period	Total Sales %	LFL Sales %	Profit Before Tax	Details
Burberry Group plc	Q1 3 months to 30 June 2016	unchanged underlying £423m (Retail Rev) +4.0% (Retail Rev @ reported FX)	-3% (Comparable Sales)		
Carpentright plc	52 weeks to 30 April 2016	-1.3% £456.8m (Grp Rev)	+4.8% (UK LFL)	+33.1% £17.3m (Underlying Profit b4 tax)	
Brown (N) Group plc	Q1 13 weeks to 28 May 2016	-0.2% (Grp Rev) +1.6% (Product Revenue)			Online Revenue up +6%
Sainsbury (J) plc	Q1 12 weeks to 4 June 2016	+0.3% (Total Retail Sales exc fuel)	-0.8% (LFL Retail Sales exc fuel)		
Tesco plc	Q1 13 weeks to 28 May 2016	+11.3% (Grp Rev) +12.7% (Retail Sales)	+0.9% (Grp LFL) +0.3% (UK LFL) +3.0% (Intn'l LFL)		
ASOS	4 months to 30 June 2016	+30% (Total Sales) +28% (UK Sales) +32% (EU Sales)	+0.9% (Grp LFL) +0.3% (UK LFL) +3.0% (Intn'l LFL)		

General News

- Amazon has been given the okay by the British government to "explore the steps needed to make the delivery of parcels by small drones a reality" thus moving a step closer to becoming the first retailer to deliver orders by drones.
- Hammerson, the property company whose portfolio includes the Bullring in Birmingham and Brent Cross in London, said that £51m had been wiped off the value of its British shopping centres and retail parks in the six months to the end of June.
- The Competition and Markets Authority has decided not to refer the merger of J Sainsbury and Home Retail Group, the owner of Argos, to a 'phase two' investigation. The acquisition has subsequently received approval from the Financial Conduct Authority and is now waiting for approval from Home Retail Group shareholders.
- According to research by British Land and Verdict, 89% or £278bn of all retail sales in the UK "touched" a physical store last year. Although British shoppers buy more online per person than any other developed country, the value of physical stores has not fallen. The research also shows that people under the age of 35 were the most likely age group to shop in a physical store rather than online as they perceive shopping as a social activity.
- Boots-branded shops are due to open in South Korea as part of a franchise partnership between Walgreens Boots Alliance, owners of Boots, and Emart Company, a hypermarket retailer who is part of the Shinsegae group. The first stores are due to open next year and will include independent pharmacies and a range of Boots-own products.
- Sales at America's restaurants and retailers rose by +0.6% during June and follows a +0.2% rise in May. Sales were up +2.7% from a year earlier.
- Poundland, the 900-store discount chain, has recommended a £597m cash offer from Steinhoff International, the South African retailer that owns Harveys furniture stores here in the UK.
- McColl's has purchased 298 convenience stores from the Co-Operative Group for £117m. The company currently has 933 convenience stores in its portfolio.
- Waitrose has announced its intention to cut payment terms to seven days for all its small food suppliers whose business with the retailer is valued at less than £100K per annum. Approximately 600 UK food producers will benefit from this step which will be completed by September.
- The BDO's monthly high street sales tracker reported a -3.6% fall in overall year-on-year sales in June, the worst June performance in more than a decade. Sales of lifestyle goods were down -0.2% compared to the same period last year with fashion sales down by -4.9% and homeware sales down -6%. Non-store sales were up +15.8%.

And finally....

- According to data from the Office for National Statistics (ONS), high street shop openings in England decreased by almost 10% last year. The number of applications to build retail stores fell from 7,360 to 6,700 with analysts blaming online shopping for the fall.

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