

The Future of Retailing in the UK

Market Intelligence Report

Reference code: WMRT0033MR

Published: October 2009

www.worldmarketintelligence.com

www.retailertrack.com

World Market Intelligence

John Carpenter House

7 Carmelite Street

London EC4Y 0BS

United Kingdom

Tel: +44 (0) 20 7336 5200

Fax: +44 (0) 20 7336 5201

1 Executive Summary

1.1 Key Market Trends

- **Recession and unemployment:** Since the global financial crisis began in September 2007, consumer confidence has declined and substantial pressure has been put on retailers. The lack of confidence can be directly related to the current slowdown, and the associated fear of job losses. This has driven a substantial expected fall in full-year 2009 retail sales.
- **Lower household costs and recovering confidence:** Households in the UK that have remained untouched by the job cuts have seen increased disposable income due to declining interest rates. Mortgage payments in the UK have declined by 25% by mid-2009 over the previous year. The average UK household is spending £200 (\$371.0) less per month than in 2008 on essentials, primarily due to lower mortgages, low interest rates, and drop in petrol, electricity and gas prices.

1.2 Key Channel Trends

- **Supermarket dominance:** The UK retail market is dominated by generalist retailers – a group which is itself dominated by supermarkets and hypermarkets. The UK's largest supermarket chain, Tesco, is reported to account for one in every seven pounds spent in the country.
- **Online growth:** The UK's online retailing market has been an unequivocal success story, with strong growth expected for 2009 despite overall poor market performance. While online retailing was initially confined to categories such as books and recorded music, with generic products that do not require a tactile experience prior to purchase, improvements in technology have allowed it to extend into more categories with more complex purchasing patterns.
- **Limited discounter presence:** European-style hard discount stores have not achieved major scale in the UK. Much of the UK discount environment consists of 'pound shops' (dollar-store equivalents) that stock an ever-changing range of very cheap products targeted at very low income consumers.

1.3 Key Category Trends

- **Premiumization in food & groceries:** Food & groceries is by far the most important category group. Growth here has been driven in recent years primarily by premiumization: food volumes sold in the UK are not showing a substantial rise, but the price per unit of food has been rising as food manufacturers and retailers seek to persuade consumers to upgrade to higher-quality, more expensive products. Commodity price inflation in 2007-2008 also boosted value sales in the food market, since demand is relatively inelastic.
- **Competitive apparel, accessories and luxury goods market:** There has been an explosive growth in discount and mid-price clothes retailing: specialist retailers such as Primark and supermarkets such as Asda have created ranges of fair-quality, relatively fashionable clothing at very low price-points while retailers like Zara have launched fashionable clothes at medium price points.

TABLE OF CONTENTS

1 Executive Summary..... 2

1.1 Key Market Trends 2

1.2 Key Channel Trends 2

1.3 Key Category Trends 2

2 Introduction..... 23

2.1 What Is This Report About?..... 23

2.2 Definitions..... 23

2.3 Summary Methodology 26

3 Market Environment 27

3.1 Key UK Retail Trends 27

3.2 Major UK Retail Growth Drivers 27

3.3 Major UK Retail Challenges 28

4 Channel Analysis: UK Retail Market 29

4.1 Retail Channels Overview 29

4.2 Retail Channels Data 30

5 Channel Analysis: Discount Retailers 34

5.1 Discount Retailers Channel Overview 34

5.2 Discount Retailers Data By Category Group 34

5.3 Discount Retailers Data By Channel..... 38

5.4 Cash & Carries & Warehouse Clubs 41

5.5 Discount, Variety Store, & General Merchandise Retailers 43

6	Channel Analysis: General Retailers	45
6.1	General Retailers Channel Overview	45
6.2	General Retailers Data By Category Group	46
6.3	General Retailers Data By Channel.....	50
6.4	Convenience Stores & Gas Stations.....	53
6.5	Department Stores.....	55
6.6	Hypermarkets & Supermarkets	57
6.7	Vending Machines	59
6.8	Other General Retailers.....	60
7	Channel Analysis: Specialist Retailers	62
7.1	Specialist Retailers Channel Overview.....	62
7.2	Specialist Retailers Data By Category Group	63
7.3	Specialist Retailers Data By Channel	66
7.4	Clothing, Footwear, Accessories & Luxury Goods Specialists	70
7.5	Drug Stores & Health & Beauty Stores	72
7.6	Duty Free Retailers	74
7.7	Electricals & Electronics Specialists	76
7.8	Food & Drinks Specialists.....	78
7.9	Home Furniture & Housewares Retailers	79
7.10	Home Improvement & Gardening Supplies Retailers	81
7.11	Music, Video, Book, Stationery, & Entertainment Software Specialists	83
7.12	Other Specialist Retailers	85
8	Channel Analysis: Online Retailers	87

8.1 Online Retailers Channel Overview 87

8.2 Online Retailers Data By Category Group..... 87

9 Category Analysis: UK Retail Market..... 91

9.1 Retail Categories Overview..... 91

9.2 Retail Categories Data 92

10 Category Analysis: Apparel, Accessories & Luxury Goods 96

10.1 Apparel, Accessories & Luxury Goods Category Overview 96

10.2 Apparel, Accessories & Luxury Goods Data By Category 96

10.3 Apparel, Accessories & Luxury Goods Data By Channel Group..... 99

10.4 Clothing & Footwear 102

10.5 Jewelry & Watches 104

10.6 Luggage & Leather Goods 106

11 Category Analysis: Books, News & Stationery 108

11.1 Books, News & Stationery Category Overview..... 108

11.2 Books, News & Stationery Data By Category 108

11.3 Books, News & Stationery Data By Channel Group..... 111

11.4 Printed Media..... 114

11.5 Stationery & Cards..... 116

12 Category Analysis: Electricals & Electronics..... 118

12.1 Electricals & Electronics Category Overview 118

12.2 Electricals & Electronics Data By Category 119

12.3 Electricals & Electronics Data By Channel Group 122

12.4 Communications Equipment 125

12.5 Computer Hardware..... 127

12.6 Consumer Electronics..... 129

12.7 Household Appliances 131

12.8 Photographic Equipment 133

13 Category Analysis: Food & Groceries 135

13.1 Food & Groceries Category Overview 135

13.2 Food & Groceries Data By Category..... 136

13.3 Food & Groceries Data By Channel Group 139

13.4 Drinks 142

13.5 Household Products..... 144

13.6 Packaged Food 146

13.7 Personal Care..... 148

13.8 Tobacco 150

13.9 Unpackaged Food..... 152

14 Category Analysis: Furniture & Floor Coverings..... 154

14.1 Furniture & Floor Coverings Category Overview 154

14.2 Furniture & Floor Coverings Data By Category..... 154

14.3 Furniture & Floor Coverings Data By Channel Group 157

14.4 Floor Coverings 160

14.5 Furniture 162

15 Category Analysis: Home & Garden Products..... 164

15.1 Home & Garden Products Category Overview 164

15.2 Home & Garden Products Data By Category 164

15.3	Home & Garden Products Data By Channel Group	167
15.4	Gardening & Outdoor Living.....	170
15.5	Home Improvement	172
15.6	Housewares	174
16	Category Analysis: Music, Video & Entertainment Software.....	176
16.1	Music, Video & Entertainment Software Category Overview	176
16.2	Music, Video & Entertainment Software Data By Category.....	176
16.3	Music, Video & Entertainment Software Data By Channel Group	179
16.4	Games Software.....	182
16.5	Music & Video	184
17	Category Analysis: Sports & Leisure Equipment	186
17.1	Sports & Leisure Equipment Category Overview.....	186
17.2	Sports & Leisure Equipment Data By Category	186
17.3	Sports & Leisure Equipment Data By Channel Group.....	189
17.4	Sports Equipment.....	192
17.5	Toys & Games	194
18	Company Profile: Tesco plc.....	196
18.1	Tesco plc Company Overview	196
18.1.1	Tesco plc Business Description.....	196
18.1.2	Tesco plc Major Products & Services.....	197
18.1.3	Tesco plc History	198
18.2	Tesco plc Company Analysis	199
18.2.1	Tesco plc Strengths	199
18.2.2	Tesco plc Weaknesses.....	200
18.2.3	Tesco plc Opportunities	200
18.2.4	Tesco plc Threats	201

18.3 Tesco plc Key Facts	202
18.3.1 Tesco plc Key Competitors.....	202
18.3.2 Tesco plc Key Employees	203
18.4 Tesco plc Company Financials	203
19 Company Profile: Asda Stores Limited	206
19.1 Asda Stores Limited Company Overview.....	206
19.1.1 Asda Stores Limited - Business Description.....	206
19.1.2 Asda Stores Limited - Major Products and Services	207
19.1.3 Asda Stores Limited - History	208
19.2 Asda Stores Limited - SWOT Analysis	209
19.2.1 SWOT Analysis - Overview	209
19.2.2 Asda Stores Limited - Strengths.....	209
19.2.3 Asda Stores Limited - Weaknesses.....	210
19.2.4 Asda Stores Limited - Opportunities	210
19.2.5 Asda Stores Limited - Threats	211
19.3 Asda Stores Limited - Key Facts	212
19.3.1 Asda Stores Limited - Key Competitors.....	212
19.3.2 Asda Stores Limited - Key Employees	212
19.3.3 Asda Stores Limited - Locations & Subsidiaries.....	213
20 Company Profile: J Sainsbury plc.....	214
20.1 J Sainsbury plc Company Overview.....	214
20.1.1 J Sainsbury plc - Business Description	214
20.1.2 J Sainsbury plc - Major Products and Services	215
20.1.3 J Sainsbury plc - History	216
20.2 J Sainsbury plc - SWOT Analysis	217
20.2.1 J Sainsbury plc - Strengths.....	217
20.2.2 J Sainsbury plc - Weaknesses	217
20.2.3 J Sainsbury plc - Opportunities.....	218
20.2.4 J Sainsbury plc - Threats	219
20.3 J Sainsbury plc - Key Facts	220
20.3.1 J Sainsbury plc - Key Competitors	220
20.3.2 J Sainsbury plc - Key Employees	220
20.3.3 J Sainsbury plc - Key Employee Biographies.....	221
20.3.4 J Sainsbury plc - Locations And Subsidiaries.....	221

20.4 J Sainsbury plc - Financial Ratios	222
20.4.1 Financial Ratios - Capital Market Ratios	222
20.4.2 Financial Ratios - Annual Ratios	223
20.4.3 Financial Ratios - Interim Ratios.....	224
 21 Company Profile: Alliance Boots Holdings Limited	 225
21.1 Alliance Boots Holdings Limited Company Overview	225
21.1.1 Alliance Boots Holdings Limited - Business Description	225
21.1.2 Alliance Boots Holdings Limited - Major Products and Services.....	226
21.1.3 Alliance Boots Holdings Limited - History.....	227
 21.2 Alliance Boots Holdings Limited - Key Facts	 228
21.2.1 Alliance Boots Holdings Limited - Key Competitors	228
21.2.2 Alliance Boots Holdings Limited - Key Employees.....	228
21.2.3 Alliance Boots Holdings Limited - Key Employee Biographies.....	229
21.2.4 Alliance Boots Holdings Limited - Locations And Subsidiaries	229
 22 Company Profile: Wm Morrison Supermarkets PLC	 230
22.1 Wm Morrison Supermarkets PLC Company Overview	230
22.1.1 Wm Morrison Supermarkets PLC - Business Description.....	230
22.1.2 Wm Morrison Supermarkets PLC - Major Products and Services	231
 22.2 Wm Morrison Supermarkets PLC - History	 232
 22.3 Wm Morrison Supermarkets PLC - SWOT Analysis.....	 233
22.3.1 SWOT Analysis - Overview	233
22.3.2 Wm Morrison Supermarkets PLC - Strengths	233
22.3.3 Wm Morrison Supermarkets PLC - Weaknesses.....	234
22.3.4 Wm Morrison Supermarkets PLC - Opportunities.....	235
22.3.5 Wm Morrison Supermarkets PLC - Threats	236
 22.4 Wm Morrison Supermarkets PLC - Key Facts	 236
22.4.1 Wm Morrison Supermarkets PLC - Key Competitors.....	236
22.4.2 Wm Morrison Supermarkets PLC - Key Employees	237
22.4.3 Wm Morrison Supermarkets PLC - Key Employee Biographies	237
22.4.4 Wm Morrison Supermarkets PLC - Locations And Subsidiaries	238
 22.5 Wm Morrison Supermarkets PLC - Financial Ratios.....	 239
22.5.1 Financial Ratios - Capital Market Ratios	239
22.5.2 Financial Ratios - Annual Ratios	240
22.5.3 Financial Ratios - Interim Ratios.....	241

23 Company Profile: Marks & Spencer Group plc	242
23.1 Marks & Spencer Group plc Company Overview	242
23.1.1 Marks and Spencer Group plc - Business Description	242
23.1.2 Marks and Spencer Group plc - Major Products and Services	243
23.2 Marks and Spencer Group plc - History	244
23.3 Marks and Spencer Group plc - SWOT Analysis	245
23.3.1 Marks and Spencer Group plc - Strengths	245
23.3.2 Marks and Spencer Group plc - Weaknesses	245
23.3.3 Marks and Spencer Group plc - Opportunities	246
23.3.4 Marks and Spencer Group plc - Threats	247
23.4 Marks and Spencer Group plc - Key Facts.....	248
23.4.1 Marks and Spencer Group plc - Key Competitors.....	248
23.4.2 Marks and Spencer Group plc - Key Employees	249
23.4.3 Marks and Spencer Group plc - Key Employee Biographies	249
23.5 Marks and Spencer Group plc - Locations And Subsidiaries	250
23.6 Marks and Spencer Group plc - Financial Ratios	250
23.6.1 Financial Ratios - Capital Market Ratios	250
23.6.2 Financial Ratios - Annual Ratios	251
23.6.3 Financial Ratios - Interim Ratios.....	252
24 Company Profile: DSG International plc.....	253
24.1 DSG International plc Company Overview.....	253
24.1.1 DSG International plc - Business Description	253
24.1.2 DSG International plc - Major Products and Services	255
24.1.3 DSG International plc - History	256
24.2 DSG International plc - SWOT Analysis	258
24.2.1 DSG International plc - Strengths.....	258
24.2.2 DSG International plc - Weaknesses.....	259
24.2.3 DSG International plc - Opportunities.....	259
24.2.4 DSG International plc - Threats	260
24.3 DSG International plc – Key Facts	261
24.3.1 DSG International plc – Key Competitors.....	261
24.4 DSG International plc - Key Employees	261
24.4.1 DSG International plc - Locations And Subsidiaries.....	262

24.5 DSG International plc - Financial Ratios	263
24.5.1 Financial Ratios - Capital Market Ratios	263
24.5.2 Financial Ratios - Annual Ratios	264
24.5.3 Financial Ratios - Interim Ratios.....	265
 25 Kingfisher plc.....	 266
25.1 Kingfisher plc Company Overview	266
25.1.1 Kingfisher Plc - Business Description.....	266
25.1.2 Kingfisher Plc - Major Products and Services	267
25.1.3 Kingfisher Plc - History	268
 25.2 Kingfisher Plc - SWOT Analysis.....	 269
25.2.1 Kingfisher Plc - Strengths	269
25.2.2 Kingfisher Plc - Weaknesses	270
25.2.3 Kingfisher Plc - Opportunities	270
25.2.4 Kingfisher Plc - Threats	271
 25.3 Kingfisher Plc - Key Facts.....	 272
25.3.1 Kingfisher Plc - Key Competitors.....	272
25.3.2 Kingfisher Plc - Key Employees	272
 25.4 Kingfisher Plc - Locations And Subsidiaries	 273
 25.5 Kingfisher Plc - Financial Ratios	 274
25.5.1 Financial Ratios - Capital Market Ratios	274
25.5.2 Financial Ratios - Annual Ratios	275
25.5.3 Financial Ratios - Interim Ratios.....	276
 26 Deal Analysis	 277
26.1 Deal benchmarks	277
26.2 Key recent deals	280
 27 Appendix	 281
27.1 About World Market Intelligence.....	281

LIST OF TABLES

Table 1:	World Market Intelligence Retail Channel Definitions.....	23
Table 2:	World Market Intelligence Retail Category Definitions	24
Table 3:	UK Overall Retail Market (£ bn), By Channel Group, 2004-09E.....	32
Table 4:	UK Overall Retail Market Forecast (£ bn), By Channel Group, 2008-2013	32
Table 5:	UK Overall Retail Market Segmentation (% value), By Channel Group, 2004-2013	32
Table 6:	UK Overall Retail Market (US\$ bn), By Channel Group, 2004-09E.....	33
Table 7:	UK Overall Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013	33
Table 8:	UK Discount Retail Market (£ bn), By Category Group, 2004-09E.....	36
Table 9:	UK Discount Retail Market Forecast (£ bn), By Category Group, 2008-2013	36
Table 10:	UK Discount Retail Market Segmentation (% value), By Category Group, 2004-2013	37
Table 11:	UK Discount Retail Market (US\$ bn), By Category Group, 2004-09E.....	37
Table 12:	UK Discount Retail Market Forecast (US\$ bn), By Category Group, 2008-2013	37
Table 13:	UK Discount Retail Market (£ bn), By Channel, 2004-09E.....	39
Table 14:	UK Discount Retail Market Forecast (£ bn), By Channel, 2008-2013	40
Table 15:	UK Discount Retail Market Segmentation (% value), By Channel, 2004-2013.....	40
Table 16:	UK Discount Retail Market (US\$ bn), By Channel, 2004-09E.....	40
Table 17:	UK Discount Retail Market Forecast (US\$ bn), By Channel, 2008-2013	40
Table 18:	UK Cash & Carries & Warehouse Clubs Sales (£ bn), By Category Group, 2004-09E.....	41
Table 19:	UK Cash & Carries & Warehouse Clubs Sales Forecast (£ bn), By Category Group, 2008-2013	42
Table 20:	UK Cash & Carries & Warehouse Clubs Sales Segmentation (% value), By Category Group, 2004-2013	42
Table 21:	UK Discount, Variety Store & General Merchandise Retailers (£ bn), By Category Group, 2004-09E.....	43
Table 22:	UK Discount, Variety Store & General Merchandise Retailers Forecast (£ bn), By Category Group, 2008-2013	44
Table 23:	UK Discount, Variety Store & General Merchandise Retailers Segmentation (% value), By Category Group, 2004-2013.....	44
Table 24:	UK General Retailers Market (£ bn), By Category Group, 2004-09E.....	47
Table 25:	UK General Retailers Market Forecast (£ bn), By Category Group, 2008-2013	48
Table 26:	UK General Retailers Market Segmentation (% value), By Category Group, 2004-2013.....	48
Table 27:	UK General Retailers Market (US\$ bn), By Category Group, 2004-09E.....	49
Table 28:	UK General Retailers Market Forecast (US\$ bn), By Category Group, 2008-2013.....	49
Table 29:	UK General Retailers Market (£ bn), By Channel, 2004-09E	51
Table 30:	UK General Retailers Market Forecast (£ bn), By Channel, 2008-2013.....	52
Table 31:	UK General Retailers Market Segmentation (% value), By Channel, 2004-2013.....	52
Table 32:	UK General Retailers Market (US\$ bn), By Channel, 2004-09E	52
Table 33:	UK General Retailers Market Forecast (US\$ bn), By Channel, 2008-2013.....	53
Table 34:	UK Convenience Stores & Gas Stations Sales (£ bn), By Category Group, 2004-09E.....	54
Table 35:	UK Convenience Stores & Gas Stations Sales Forecast (£ bn), By Category Group, 2008-2013	54
Table 36:	UK Convenience Stores & Gas Stations Sales Segmentation (% value), By Category Group, 2004-2013	55
Table 37:	UK Department Stores Sales (£ bn), By Category Group, 2004-09E.....	56
Table 38:	UK Department Stores Sales Forecast (£ bn), By Category Group, 2008-2013	56

TABLE OF CONTENTS

Table 39:	UK Department Stores Sales Segmentation (% value), By Category Group, 2004-2013	56
Table 40:	UK Hypermarkets & Supermarkets Sales (£ bn), By Category Group, 2004-09E	57
Table 41:	UK Hypermarkets & Supermarkets Sales Forecast (£ bn), By Category Group, 2008-2013	58
Table 42:	UK Hypermarkets & Supermarkets Sales Segmentation (% value), By Category Group, 2004-2013.....	58
Table 43:	UK Vending Machines Sales (£ bn), By Category Group, 2004-09E	59
Table 44:	UK Vending Machines Sales Forecast (£ bn), By Category Group, 2008-2013.....	59
Table 45:	UK Other General Retailers Sales (£ bn), By Category Group, 2004-09E	60
Table 46:	UK Other General Retailers Sales Forecast (£ bn), By Category Group, 2008-2013.....	61
Table 47:	UK Other General Retailers Sales Segmentation (% value), By Category Group, 2004-2013.....	61
Table 48:	UK Specialist Retailers Market (£ bn), By Category Group, 2004-09E	64
Table 49:	UK Specialist Retailers Market Forecast (£ bn), By Category Group, 2008-2013.....	65
Table 50:	UK Specialist Retailers Market Segmentation (% value), By Category Group, 2004-2013.....	65
Table 51:	UK Specialist Retailers Market (US\$ bn), By Category Group, 2004-09E	65
Table 52:	UK Specialist Retailers Market Forecast (US\$ bn), By Category Group, 2008-2013.....	66
Table 53:	UK Specialist Retailers Market (£ bn), By Channel, 2004-09E.....	67
Table 54:	UK Specialist Retailers Market Forecast (£ bn), By Channel, 2008-2013.....	68
Table 55:	UK Specialist Retailers Market Segmentation (% value), By Channel, 2004-2013	68
Table 56:	UK Specialist Retailers Market (US\$ bn), By Channel, 2004-09E.....	69
Table 57:	UK Specialist Retailers Market Forecast (US\$ bn), By Channel, 2008-2013.....	69
Table 58:	UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales (£ bn), By Category Group, 2004-09E	70
Table 59:	UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales Forecast (£ bn), By Category Group, 2008-2013	71
Table 60:	UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales Segmentation (% value), By Category Group, 2004-2013.....	71
Table 61:	UK Drug Stores & Health & Beauty Stores Sales (£ bn), By Category Group, 2004-09E	72
Table 62:	UK Drug Stores & Health & Beauty Stores Sales Forecast (£ bn), By Category Group, 2008-2013.....	73
Table 63:	UK Drug Stores & Health & Beauty Stores Sales Segmentation (% value), By Category Group, 2004-2013.....	73
Table 64:	UK Duty Free Retailers Sales (£ bn), By Category Group, 2004-09E	74
Table 65:	UK Duty Free Retailers Sales Forecast (£ bn), By Category Group, 2008-2013.....	75
Table 66:	UK Duty Free Retailers Sales Segmentation (% value), By Category Group, 2004-2013.....	75
Table 67:	UK Electricals & Electronics Specialists Sales (£ bn), By Category Group, 2004-09E.....	76
Table 68:	UK Electricals & Electronics Specialists Sales Forecast (£ bn), By Category Group, 2008-2013	77
Table 69:	UK Electricals & Electronics Specialists Sales Segmentation (% value), By Category Group, 2004-2013	77
Table 70:	UK Food & Drinks Specialists Sales (£ bn), By Category Group, 2004-09E	78
Table 71:	UK Food & Drinks Specialists Sales Forecast (£ bn), By Category Group, 2008-2013.....	78
Table 72:	UK Home Furniture & Housewares Retailers Sales (£ bn), By Category Group, 2004-09E.....	79
Table 73:	UK Home Furniture & Housewares Retailers Sales Forecast (£ bn), By Category Group, 2008-2013	80
Table 74:	UK Home Furniture & Housewares Retailers Sales Segmentation (% value), By Category Group, 2004-2013	80
Table 75:	UK Home Improvement & Gardening Supplies Retailers Sales (£ bn), By Category Group, 2004-09E.....	81
Table 76:	UK Home Improvement & Gardening Supplies Retailers Sales Forecast (£ bn), By Category Group, 2008-2013	82

TABLE OF CONTENTS

Table 77: UK Home Improvement & Gardening Supplies Retailers Sales Segmentation (% value), By Category Group, 2004-2013	82
Table 78: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales (£ bn), By Category Group, 2004-09E83	
Table 79: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales Forecast (£ bn), By Category Group, 2008-2013	84
Table 80: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales Segmentation (% value), By Category Group, 2004-2013	84
Table 81: UK Other Specialist Retailers Sales (£ bn), By Category Group, 2004-09E	85
Table 82: UK Other Specialist Retailers Sales Forecast (£ bn), By Category Group, 2008-2013	86
Table 83: UK Other Specialist Retailers Sales Segmentation (% value), By Category Group, 2004-2013	86
Table 84: UK Online Retailers Market (£ bn), By Category Group, 2004-09E	88
Table 85: UK Online Retailers Market Forecast (£ bn), By Category Group, 2008-2013	89
Table 86: UK Online Retailers Market Segmentation (% value), By Category Group, 2004-2013	89
Table 87: UK Online Retailers Market (US\$ bn), By Category Group, 2004-09E	90
Table 88: UK Online Retailers Market Forecast (US\$ bn), By Category Group, 2008-2013	90
Table 89: UK Overall Retail Market (£ bn), By Category Group, 2004-09E	94
Table 90: UK Overall Retail Market Forecast (£ bn), By Category Group, 2008-2013	94
Table 91: UK Overall Retail Market Segmentation (% value), By Category Group, 2004-2013	95
Table 92: UK Overall Retail Market (US\$ bn), By Category Group, 2004-09E	95
Table 93: UK Overall Retail Market Forecast (US\$ bn), By Category Group, 2008-2013	95
Table 94: UK Apparel, Accessories & Luxury Goods Retail Market (£ bn), By Category, 2004-09E	97
Table 95: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (£ bn), By Category, 2008-2013	98
Table 96: UK Apparel, Accessories & Luxury Goods Retail Market Segmentation (% value), By Category, 2004-2013	98
Table 97: UK Apparel, Accessories & Luxury Goods Retail Market (US\$ bn), By Category, 2004-09E	98
Table 98: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (US\$ bn), By Category, 2008-2013	98
Table 99: UK Apparel, Accessories & Luxury Goods Retail Market (£ bn), By Channel Group, 2004-09E	100
Table 100: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (£ bn), By Channel Group, 2008-2013	101
Table 101: UK Apparel, Accessories & Luxury Goods Retail Market Segmentation (% value), By Channel Group, 2004-2013	101
Table 102: UK Apparel, Accessories & Luxury Goods Retail Market (US\$ bn), By Channel Group, 2004-09E	101
Table 103: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013	102
Table 104: UK Clothing & Footwear Retail Market (£ bn), By Channel Group, 2004-09E	103
Table 105: UK Clothing & Footwear Retail Market Forecast (£ bn), By Channel Group, 2009-2013	103
Table 106: UK Clothing & Footwear Retail Market Segmentation, By Channel Group, 2004-2013	103
Table 107: UK Jewelry & Watches Retail Market (£ bn), By Channel Group, 2004-09E	104
Table 108: UK Jewelry & Watches Retail Market Forecast (£ bn), By Channel Group, 2009-2013	105
Table 109: UK Jewelry & Watches Retail Market Segmentation, By Channel Group, 2004-2013	105
Table 110: UK Luggage & Leather Goods Retail Market (£ bn), By Channel Group, 2004-09E	106
Table 111: UK Luggage & Leather Goods Retail Market Forecast (£ bn), By Channel Group, 2009-2013	107
Table 112: UK Luggage & Leather Goods Retail Market Segmentation, By Channel Group, 2004-2013	107
Table 113: UK Books, News & Stationery Retail Market (£ bn), By Category, 2004-09E	109

TABLE OF CONTENTS

Table 114: UK Books, News & Stationery Retail Market Forecast (£ bn), By Category, 2008-2013.....	109
Table 115: UK Books, News & Stationery Retail Market Segmentation (% value), By Category, 2004-2013.....	110
Table 116: UK Books, News & Stationery Retail Market (US\$ bn), By Category, 2004-09E.....	110
Table 117: UK Books, News & Stationery Retail Market Forecast (US\$ bn), By Category, 2008-2013.....	110
Table 118: UK Books, News & Stationery Retail Market (£ bn), By Channel Group, 2004-09E.....	112
Table 119: UK Books, News & Stationery Retail Market Forecast (£ bn), By Channel Group, 2008-2013.....	113
Table 120: UK Books, News & Stationery Retail Segmentation (% value), By Channel Group, 2004-2013.....	113
Table 121: UK Books, News & Stationery Retail Market (US\$ bn), By Channel Group, 2004-09E.....	113
Table 122: UK Books, News & Stationery Retail Forecast (US\$ bn), By Channel Group, 2008-2013.....	113
Table 123: UK Printed Media Retail Market (£ bn), By Channel Group, 2004-09E.....	114
Table 124: UK Printed Media Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	115
Table 125: UK Printed Media Retail Market Segmentation, By Channel Group, 2004-2013.....	115
Table 126: UK Stationery & Cards Retail Market (£ bn), By Channel Group, 2004-09E.....	116
Table 127: UK Stationery & Cards Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	117
Table 128: UK Stationery & Cards Retail Market Segmentation, By Channel Group, 2004-2013.....	117
Table 129: UK Electricals & Electronics Retail Market (£ bn), By Category, 2004-09E.....	120
Table 130: UK Electricals & Electronics Retail Market Forecast (£ bn), By Category, 2008-2013.....	121
Table 131: UK Electricals & Electronics Retail Market Segmentation (% value), By Category, 2004-2013.....	121
Table 132: UK Electricals & Electronics Retail Market (US\$ bn), By Category, 2004-09E.....	121
Table 133: UK Electricals & Electronics Retail Market Forecast (US\$ bn), By Category, 2008-2013.....	122
Table 134: UK Electricals & Electronics Retail Market (£ bn), By Channel Group, 2004-09E.....	123
Table 135: UK Electricals & Electronics Retail Market Forecast (£ bn), By Channel Group, 2008-2013.....	124
Table 136: UK Electricals & Electronics Retail Market Segmentation (% value), By Channel Group, 2004-2013.....	124
Table 137: UK Electricals & Electronics Retail Market (US\$ bn), By Channel Group, 2004-09E.....	124
Table 138: UK Electricals & Electronics Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013.....	124
Table 139: UK Communications Equipment Retail Market (£ m), By Channel Group, 2004-09E.....	125
Table 140: UK Communications Equipment Retail Market Forecast (£ m), By Channel Group, 2009-2013.....	126
Table 141: UK Communications Equipment Retail Market Segmentation, By Channel Group, 2004-2013.....	126
Table 142: UK Computer Hardware Retail Market (£ bn), By Channel Group, 2004-09E.....	127
Table 143: UK Computer Hardware Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	128
Table 144: UK Computer Hardware Retail Market Segmentation, By Channel Group, 2004-2013.....	128
Table 145: UK Consumer Electronics Retail Market (£ bn), By Channel Group, 2004-09E.....	129
Table 146: UK Consumer Electronics Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	130
Table 147: UK Consumer Electronics Retail Market Segmentation, By Channel Group, 2004-2013.....	130
Table 148: UK Household Appliances Retail Market (£ bn), By Channel Group, 2004-09E.....	131
Table 149: UK Household Appliances Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	132
Table 150: UK Household Appliances Retail Market Segmentation, By Channel Group, 2004-2013.....	132
Table 151: UK Photographic Equipment Retail Market (£ bn), By Channel Group, 2004-09E.....	133
Table 152: UK Photographic Equipment Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	134

TABLE OF CONTENTS

Table 153: UK Photographic Equipment Retail Market Segmentation, By Channel Group, 2004-2013	134
Table 154: UK Food & Groceries Retail Market (£ bn), By Category, 2004-09E.....	137
Table 155: UK Food & Groceries Retail Market Forecast (£ bn), By Category, 2008-2013	138
Table 156: UK Food & Groceries Retail Market Segmentation (% value), By Category, 2004-2013	138
Table 157: UK Food & Groceries Retail Market (US\$ bn), By Category, 2004-09E.....	138
Table 158: UK Food & Groceries Retail Market Forecast (£ bn), By Category, 2008-2013	139
Table 159: UK Food & Groceries Retail Market (£ bn), By Channel Group, 2004-09E.....	140
Table 160: UK Food & Groceries Retail Market Forecast (£ bn), By Channel Group, 2008-2013	141
Table 161: UK Food & Groceries Retail Market Segmentation (% value), By Channel Group, 2004-2013	141
Table 162: UK Food & Groceries Retail Market (US\$ bn), By Channel Group, 2004-09E.....	141
Table 163: UK Food & Groceries Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013	141
Table 164: UK Drinks Retail Market (£ bn), By Channel Group, 2004-09E.....	142
Table 165: UK Drinks Retail Market Forecast (£ bn), By Channel Group, 2009-2013	143
Table 166: UK Drinks Retail Market Segmentation, By Channel Group, 2004-2013	143
Table 167: UK Household Products Retail Market (£ bn), By Channel Group, 2004-09E.....	144
Table 168: UK Household Products Retail Market Forecast (£ bn), By Channel Group, 2009-2013	145
Table 169: UK Household Products Retail Market Segmentation, By Channel Group, 2004-2013	145
Table 170: UK Packaged Food Retail Market (£ bn), By Channel Group, 2004-09E.....	146
Table 171: UK Packaged Food Retail Market Forecast (£ bn), By Channel Group, 2009-2013	147
Table 172: UK Packaged Food Retail Market Segmentation, By Channel Group, 2004-2013.....	147
Table 173: UK Personal Care Retail Market (£ bn), By Channel Group, 2004-09E	148
Table 174: UK Personal Care Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	149
Table 175: UK Personal Care Retail Market Segmentation, By Channel Group, 2004-2013.....	149
Table 176: UK Tobacco Retail Market (£ bn), By Channel Group, 2004-09E	150
Table 177: UK Tobacco Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	151
Table 178: UK Tobacco Retail Market Segmentation, By Channel Group, 2004-2013.....	151
Table 179: UK Unpackaged Food Retail Market (£ bn), By Channel Group, 2004-09E.....	152
Table 180: UK Unpackaged Food Retail Market Forecast (£ bn), By Channel Group, 2009-2013	153
Table 181: UK Unpackaged Food Retail Market Segmentation, By Channel Group, 2004-2013	153
Table 182: UK Furniture & Floor Coverings Retail Market (£ bn), By Category, 2004-09E.....	155
Table 183: UK Furniture & Floor Coverings Retail Market Forecast (£ bn), By Category, 2008-2013	156
Table 184: UK Furniture & Floor Coverings Retail Market Segmentation (% value), By Category, 2004-2013	156
Table 185: UK Furniture & Floor Coverings Retail Market (US\$ bn), By Category, 2004-09E.....	156
Table 186: UK Furniture & Floor Coverings Retail Market Forecast (US\$ bn), By Category, 2008-2013	156
Table 187: UK Furniture & Floor Coverings Retail Market (£ bn), By Channel Group, 2004-09E	158
Table 188: UK Furniture & Floor Coverings Retail Forecast (£ bn), By Channel Group, 2008-2013	159
Table 189: UK Furniture & Floor Coverings Segmentation (% value), By Channel Group, 2004-2013.....	159
Table 190: UK Furniture & Floor Coverings Retail Market (US\$ bn), By Channel Group, 2004-09E	159
Table 191: UK Furniture & Floor Coverings Retail Forecast (US\$ bn), By Channel Group, 2008-2013	159

TABLE OF CONTENTS

Table 192: UK Floor Coverings Retail Market (£ bn), By Channel Group, 2004-09E.....	160
Table 193: UK Floor Coverings Retail Market Forecast (£ bn), By Channel Group, 2009-2013	161
Table 194: UK Floor Coverings Retail Market Segmentation, By Channel Group, 2004-2013	161
Table 195: UK Furniture Retail Market (£ bn), By Channel Group, 2004-09E.....	162
Table 196: UK Furniture Retail Market Forecast (£ bn), By Channel Group, 2009-2013	163
Table 197: UK Furniture Retail Market Segmentation, By Channel Group, 2004-2013	163
Table 198: UK Home & Garden Products Retail Market (£ bn), By Category, 2004-09E.....	165
Table 199: UK Home & Garden Products Retail Market Forecast (£ bn), By Category, 2008-2013	166
Table 200: UK Home & Garden Products Retail Market Segmentation (% value), By Category, 2004-2013	166
Table 201: UK Home & Garden Products Retail Market (US\$ bn), By Category, 2004-09E.....	166
Table 202: UK Home & Garden Products Retail Market Forecast (US\$ bn), By Category, 2008-2013	166
Table 203: UK Home & Garden Products Retail Market (£ bn), By Channel Group, 2004-09E	168
Table 204: UK Home & Garden Products Retail Market Forecast (£ bn), By Channel Group, 2008-2013	169
Table 205: UK Home & Garden Products Retail Market Segmentation (% value), By Channel Group, 2004-2013.....	169
Table 206: UK Home & Garden Products Retail Market (US\$ bn), By Channel Group, 2004-09E	169
Table 207: UK Home & Garden Products Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013	170
Table 208: UK Gardening & Outdoor Living Retail Market (£ bn), By Channel Group, 2004-09E.....	171
Table 209: UK Gardening & Outdoor Living Retail Market Forecast (£ bn), By Channel Group, 2009-2013	171
Table 210: UK Gardening & Outdoor Living Retail Market Segmentation, By Channel Group, 2004-2013	171
Table 211: UK Home Improvement Retail Market (£ bn), By Channel Group, 2004-09E.....	172
Table 212: UK Home Improvement Retail Market Forecast (£ bn), By Channel Group, 2009-2013	173
Table 213: UK Home Improvement Retail Market Segmentation, By Channel Group, 2004-2013	173
Table 214: UK Housewares Retail Market (£ bn), By Channel Group, 2004-09E.....	174
Table 215: UK Housewares Retail Market Forecast (£ bn), By Channel Group, 2009-2013	175
Table 216: UK Housewares Retail Market Segmentation, By Channel Group, 2004-2013.....	175
Table 217: UK Music, Video & Entertainment Software Retail Market (£ bn), By Category, 2004-09E	177
Table 218: UK Music, Video & Entertainment Software Retail Market Forecast (£ bn), By Category, 2008-2013	178
Table 219: UK Music, Video & Entertainment Software Retail Market Segmentation (% value), By Category, 2004-2013	178
Table 220: UK Music, Video & Entertainment Software Retail Market (US\$ bn), By Category, 2004-09E	178
Table 221: UK Music, Video & Entertainment Software Retail Market Forecast (US\$ bn), By Category, 2008-2013	178
Table 222: UK Music, Video & Entertainment Software Retail Market (£ bn), By Channel Group, 2004-09E.....	180
Table 223: UK Music, Video & Entertainment Software Retail Market Forecast (£ bn), By Channel Group, 2008-2013	181
Table 224: UK Music, Video & Entertainment Software Retail Market Segmentation (% value), By Channel Group, 2004-2013	181
Table 225: UK Music, Video & Entertainment Software Retail Market (US\$ bn), By Channel Group, 2004-09E.....	181
Table 226: UK Music, Video & Entertainment Software Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013	182
Table 227: UK Games Software Retail Market (£ bn), By Channel Group, 2004-09E	183
Table 228: UK Games Software Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	183
Table 229: UK Games Software Retail Market Segmentation, By Channel Group, 2004-2013.....	183
Table 230: UK Music & Video Retail Market (£ bn), By Channel Group, 2004-09E	184

TABLE OF CONTENTS

Table 231: UK Music & Video Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	185
Table 232: UK Music & Video Retail Market Segmentation, By Channel Group, 2004-2013.....	185
Table 233: UK Sports & Leisure Equipment Retail Market (£ bn), By Category, 2004-09E	187
Table 234: UK Sports & Leisure Equipment Retail Market Forecast (£ bn), By Category, 2008-2013.....	188
Table 235: UK Sports & Leisure Equipment Retail Market Segmentation (% value), By Category, 2004-2013.....	188
Table 236: UK Sports & Leisure Equipment Retail Market (US\$ bn), By Category, 2004-09E	188
Table 237: UK Sports & Leisure Equipment Retail Market Forecast (US\$ bn), By Category, 2008-2013.....	188
Table 238: UK Sports & Leisure Equipment Retail Market (£ bn), By Channel Group, 2004-09E	190
Table 239: UK Sports & Leisure Equipment Retail Market Forecast (£ bn), By Channel Group, 2008-2013.....	191
Table 240: UK Sports & Leisure Equipment Retail Market Segmentation (% value), By Channel Group, 2004-2013.....	191
Table 241: UK Sports & Leisure Equipment Retail Market (US\$ bn), By Channel Group, 2004-09E	191
Table 242: UK Sports & Leisure Equipment Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013.....	192
Table 243: UK Sports Equipment Retail Market (£ bn), By Channel Group, 2004-09E	193
Table 244: UK Sports Equipment Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	193
Table 245: UK Sports Equipment Retail Market Segmentation, By Channel Group, 2004-2013	193
Table 246: UK Toys & Games Retail Market (£ bn), By Channel Group, 2004-09E	194
Table 247: UK Toys & Games Retail Market Forecast (£ bn), By Channel Group, 2009-2013.....	195
Table 248: UK Toys & Games Retail Market Segmentation, By Channel Group, 2004-2013.....	195
Table 249: Tesco Plc Key Facts	196
Table 250: Tesco Plc History	198
Table 251: Tesco Plc SWOT Analysis	199
Table 252: Tesco Plc Key Employees.....	203
Table 253: Tesco plc Capital Market Ratios (based on current share price).....	203
Table 254: Tesco Plc Key Annual Ratios	204
Table 255: Tesco PLC Interim Ratios	205
Table 256: Asda Stores Limited, Major Products and Services	207
Table 257: Asda Stores Limited, History	208
Table 258: Asda Stores Limited, Key Employees	212
Table 259: Asda Stores Limited, Key Employee Biographies	212
Table 260: J Sainsbury plc, Major Products and Services	215
Table 261: J Sainsbury plc, History.....	216
Table 262: J Sainsbury plc, Key Employees	220
Table 263: J Sainsbury plc, Key Employee Biographies.....	221
Table 264: J Sainsbury plc, Ratios based on current share price	222
Table 265: J Sainsbury plc, Annual Ratios.....	223
Table 266: J Sainsbury plc, Interim Ratios.....	224
Table 267: Alliance Boots Holdings Limited, Major Products and Services	226
Table 268: Alliance Boots Holdings Limited, History	227
Table 269: Alliance Boots Holdings Limited, Key Employees	228

TABLE OF CONTENTS

Table 270: Alliance Boots Holdings Limited, Key Employee Biographies	229
Table 271: Wm Morrison Supermarkets PLC, Major Products and Services	231
Table 272: Wm Morrison Supermarkets PLC, History.....	232
Table 273: Wm Morrison Supermarkets PLC, Key Employees	237
Table 274: Wm Morrison Supermarkets PLC, Key Employee Biographies	237
Table 275: Wm Morrison Supermarkets PLC, Subsidiaries	238
Table 276: Wm Morrison Supermarkets PLC, Ratios based on current share price	239
Table 277: Wm Morrison Supermarkets PLC, Annual Ratios	240
Table 278: Wm Morrison Supermarkets PLC, Interim Ratios.....	241
Table 279: Marks and Spencer Group plc, Major Products and Services	243
Table 280: Marks and Spencer Group plc, History	244
Table 281: Marks and Spencer Group plc, Key Employees	249
Table 282: Marks and Spencer Group plc, Key Employee Biographies.....	249
Table 283: Marks and Spencer Group plc, Ratios based on current share price	250
Table 284: Marks and Spencer Group plc, Annual Ratios	251
Table 285: Marks and Spencer Group plc, Interim Ratios.....	252
Table 286: DSG International plc, Major Products and Services	255
Table 287: DSG International plc, History.....	256
Table 288: DSG International plc, Key Employees	261
Table 289: DSG International plc, Key Employee Biographies	262
Table 290: DSG International plc, Subsidiaries.....	262
Table 291: DSG International plc, Ratios based on current share price	263
Table 292: DSG International plc, Annual Ratios.....	264
Table 293: DSG International plc, Interim Ratios	265
Table 294: Kingfisher Plc, Major Products and Services.....	267
Table 295: Kingfisher Plc, History	268
Table 296: Kingfisher Plc, Key Employees	272
Table 297: Kingfisher Plc, Key Employee Biographies	273
Table 298: Kingfisher Plc, Ratios based on current share price.....	274
Table 299: Kingfisher Plc, Annual Ratios	275
Table 300: Kingfisher Plc, Interim Ratios	276
Table 301: UK Retail Industry Completed Deal Numbers, By Deal Type, 2005-2009YTD	277
Table 302: UK Retail Industry Completed Deal Value (US\$ m), By Deal Type, 2005-2009YTD.....	277
Table 303: UK Retail Industry Average Value Per Completed Deal (US\$ m), By Deal Type, 2005-2009YTD.....	278
Table 304: UK Retail Industry Current Deal Status, 2009YTD	279
Table 305: UK Retail Key Completed Transactions, 2007-2009, By Date	280

LIST OF FIGURES

Figure 1: UK Overall Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 30

Figure 2: UK Overall Retail Market Dynamics, By Channel Group, 2004-13F 31

Figure 3: UK Discount Retail Market & Market Forecast (£ bn), By Category Group, 2004-13F..... 34

Figure 4: UK Discount Retail Market Dynamics, By Category Group, 2004-13F 35

Figure 5: UK Discount Retail Market & Market Forecast (£ bn), By Channel, 2004-13F..... 38

Figure 6: UK Discount Retail Market Dynamics, By Channel, 2004-13F 39

Figure 7: UK Cash & Carries & Warehouse Clubs Sales & Forecast (£ bn), By Category Group, 2004-13F..... 41

Figure 8: UK Discount, Variety Store & General Merchandise Retailers & Market Forecast (£ bn), By Category Group, 2004-13F 43

Figure 9: UK General Retailers Market & Market Forecast (£ bn), By Category Group, 2004-13F 46

Figure 10: UK General Retailers Market Dynamics, By Category Group, 2004-13F..... 47

Figure 11: UK General Retailers Market & Market Forecast (£ bn), By Channel, 2004-13F 50

Figure 12: UK General Retailers Market Dynamics, By Channel, 2004-13F..... 51

Figure 13: UK Convenience Stores & Gas Stations Sales & Forecast (£ bn), By Category Group, 2004-13F..... 53

Figure 14: UK Department Stores Sales & Forecast (£ bn), By Category Group, 2004-13F 55

Figure 15: UK Hypermarkets & Supermarkets Sales & Forecast (£ bn), By Category Group, 2004-13F..... 57

Figure 16: UK Vending Machines Sales & Forecast (£ bn), By Category Group, 2004-13F 59

Figure 17: UK Other General Retailers Sales & Forecast (£ bn), By Category Group, 2004-13F..... 60

Figure 18: UK Specialist Retailers Market & Market Forecast (£ bn), By Category Group, 2004-13F 63

Figure 19: UK Specialist Retailers Market Dynamics, By Category Group, 2004-13F 64

Figure 20: UK Specialist Retailers Market & Market Forecast (£ bn), By Channel, 2004-13F 66

Figure 21: UK Specialist Retailers Market Dynamics, By Channel, 2004-13F 67

Figure 22: UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F 70

Figure 23: UK Drug Stores & Health & Beauty Stores Sales & Forecast (£ bn), By Category Group, 2004-13F 72

Figure 24: UK Duty Free Retailers Sales & Forecast (£ bn), By Category Group, 2004-13F..... 74

Figure 25: UK Electricals & Electronics Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F 76

Figure 26: UK Food & Drinks Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F..... 78

Figure 27: Home Furniture & Housewares Retailers Sales & Forecast (£ bn), By Category Group, 2004-13F 79

Figure 28: UK Home Improvement & Gardening Supplies Retailers Sales & Forecast (£ bn), By Category Group, 2004-13F 81

Figure 29: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F..... 83

Figure 30: UK Other Specialist Retailers Sales & Forecast (£ bn), By Category Group, 2004-13F 85

Figure 31: UK Online Retailers Market & Market Forecast (£ bn), By Category Group, 2004-13F 87

Figure 32: UK Online Retailers Market Dynamics, By Category Group, 2004-13F 88

Figure 33: UK Overall Retail Market & Market Forecast (£ bn), By Category Group, 2004-13F 92

Figure 34: UK Overall Retail Market Dynamics, By Category Group, 2004-13F 93

Figure 35: UK Apparel, Accessories & Luxury Goods Retail Market & Market Forecast (£ bn), By Category, 2004-13F 96

Figure 36: UK Apparel, Accessories & Luxury Goods Retail Market Dynamics, By Category (£ bn), 2004-13F..... 97

Figure 37: UK Apparel, Accessories & Luxury Goods Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 99

Figure 38: UK Apparel, Accessories & Luxury Goods Retail Market Dynamics, By Channel Group, 2004-13F 100

Figure 39: UK Clothing & Footwear Retail Market (£ bn), By Channel Group, 2004-13F 102

Figure 40: UK Jewelry & Watches Retail Market (£ bn), By Channel Group, 2004-13F 104

Figure 41: UK Luggage & Leather Goods Retail Market (£ bn), By Channel Group, 2004-13F 106

Figure 42: UK Books, News & Stationery Retail Market & Market Forecast (£ bn), By Category, 2004-13F 108

Figure 43: UK Books, News & Stationery Retail Market Dynamics, By Category, 2004-13F 109

Figure 44: UK Books, News & Stationery Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 111

Figure 45: UK Books, News & Stationery Retail Market Dynamics, By Channel Group, 2004-13F 112

Figure 46: UK Printed Media Retail Market (£ bn), By Channel Group, 2004-13F 114

Figure 47: UK Stationery & Cards Retail Market (£ bn), By Channel Group, 2004-13F 116

Figure 48: UK Electricals & Electronics Retail Market & Market Forecast (£ bn), By Category, 2004-13F 119

Figure 49: UK Electricals & Electronics Retail Market Dynamics, By Category, 2004-13F 120

Figure 50: UK Electricals & Electronics Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 122

Figure 51: UK Electricals & Electronics Retail Market Dynamics, By Channel Group, 2004-13F 123

Figure 52: UK Communications Equipment Retail Market (£ bn), By Channel Group, 2004-13F 125

Figure 53: UK Computer Hardware Retail Market (£ bn), By Channel Group, 2004-13F 127

Figure 54: UK Consumer Electronics Retail Market (£ bn), By Channel Group, 2004-13F 129

Figure 55: UK Household Appliances Retail Market (£ bn), By Channel Group, 2004-13F 131

Figure 56: UK Photographic Equipment Retail Market (£ bn), By Channel Group, 2004-13F 133

Figure 57: UK Food & Groceries Retail Market & Market Forecast (£ bn), By Category, 2004-13F 136

Figure 58: UK Food & Groceries Retail Market Dynamics, By Category, 2004-13F 137

Figure 59: UK Food & Groceries Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 139

Figure 60: UK Food & Groceries Retail Market Dynamics, By Channel Group, 2004-13F 140

Figure 61: UK Drinks Retail Market (£ bn), By Channel Group, 2004-13F 142

Figure 62: UK Household Products Retail Market (£ bn), By Channel Group, 2004-13F 144

Figure 63: UK Packaged Food Retail Market (£ bn), By Channel Group, 2004-13F 146

Figure 64: UK Personal Care Retail Market (£ bn), By Channel Group, 2004-13F 148

Figure 65: UK Tobacco Retail Market (£ bn), By Channel Group, 2004-13F 150

Figure 66: UK Unpackaged Food Retail Market (£ bn), By Channel Group, 2004-13F 152

Figure 67: UK Furniture & Floor Coverings Retail Market & Market Forecast (£ bn), By Category, 2004-13F 154

Figure 68: UK Furniture & Floor Coverings Retail Market Dynamics, By Category, 2004-13F 155

Figure 69: UK Furniture & Floor Coverings Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 157

Figure 70: UK Furniture & Floor Coverings Retail Market Dynamics, By Channel Group, 2004-13F 158

Figure 71: UK Floor Coverings Retail Market (£ bn), By Channel Group, 2004-13F 160

Figure 72: UK Furniture Retail Market (£ bn), By Channel Group, 2004-13F 162

Figure 73: UK Home & Garden Products Retail Market & Forecast (£ bn), By Category, 2004-13F 164

Figure 74: UK Home & Garden Products Retail Market Dynamics, By Category, 2004-13F 165

Figure 75: UK Home & Garden Products Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 167

Figure 76: UK Home & Garden Products Retail Market Dynamics, By Channel Group, 2004-13F..... 168

Figure 77: UK Gardening & Outdoor Living Retail Market (£ bn), By Channel Group, 2004-13F..... 170

Figure 78: UK Home Improvement Retail Market (£ bn), By Channel Group, 2004-13F..... 172

Figure 79: UK Housewares Retail Market (£ bn), By Channel Group, 2004-13F 174

Figure 80: UK Music, Video & Entertainment Software Retail Market & Market Forecast (£ bn), By Category, 2004-13F 176

Figure 81: UK Music, Video & Entertainment Software Retail Market Dynamics, By Category, 2004-13F 177

Figure 82: UK Music, Video & Entertainment Software Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F ... 179

Figure 83: UK Music, Video & Entertainment Software Retail Market Dynamics, By Channel Group, 2004-13F 180

Figure 84: UK Games Software Retail Market (£ bn), By Channel Group, 2004-13F 182

Figure 85: UK Music & Video Retail Market (£ bn), By Channel Group, 2004-13F 184

Figure 86: UK Sports & Leisure Equipment Retail Market & Market Forecast (£ bn), By Category, 2004-13F 186

Figure 87: UK Sports & Leisure Equipment Retail Market Dynamics, By Category, 2004-13F 187

Figure 88: UK Sports & Leisure Equipment Retail Market & Market Forecast (£ bn), By Channel Group, 2004-13F 189

Figure 89: UK Sports & Leisure Equipment Retail Market Dynamics, By Channel Group, 2004-13F 190

Figure 90: UK Sports Equipment Retail Market (£ bn), By Channel Group, 2004-13F 192

Figure 91: UK Toys & Games Retail Market (£ bn), By Channel Group, 2004-13F 194

Figure 92: UK Retail Industry Completed Deals & Deal Values, 2005-2009..... 278

2 Introduction

2.1 What Is This Report About?

This report is the result of our extensive market, company and deals research covering the UK retail market. It provides detailed segmentation of historic and forecast retail sales, segmented down to category and channel level; analysis of the leading UK companies in the retail market; and analysis of the key financial deals involving retail players in the UK.

“The Future of Retailing in the UK” provides both top-level overview and detailed category-, channel- and company-specific insights into the UK’s retail industry environment. It is an essential tool for companies active across the UK retail value chain and for new players considering entering the UK’s retail market.

2.2 Definitions

All data is collected in local currency. To avoid distortions due to currency fluctuations, all conversions into US\$ (of current, historical and forecast data alike) are made at the average 2008 average conversion rate. All tables are displayed to one decimal place, and hence growth rates may appear inconsistent with absolute values due to rounding errors.

The key channels and categories featured in the report are defined below:

Table 1: World Market Intelligence Retail Channel Definitions		
Channel group	Channel	Definition
Discount retailers	Cash & carries & warehouse clubs	Cash & carries sell from a wholesale warehouse to customers (small retailers, professional users, etc) who pay on the spot and transport goods away themselves. Warehouse clubs are no-frills stores that sell discounted goods to members who pay an annual fee. Delivered wholesale sales are not included.
	Discount, variety store, & general merchandise retailers	Discount/variety stores includes all sales through stores that sell inexpensive items (especially cleaning supplies, toys, and confectionery) at a single or limited number of price points and are named for the price of the merchandise (e.g. dollar store, pound store). General merchandise includes all sales through stores that offer a wider selection of primarily non-food goods at inexpensive prices.
General retailers	Convenience stores & gas stations	Includes all sales through stores generally less than 300 sq m that specialize in a limited range of food & groceries products designed primarily for convenience-seeking consumers. Also includes sales in retail outlets attached to gas stations where fuel is the main revenue driver, kiosks, and news stands.
	Department stores	Includes all sales through multi-category retailers focusing primarily on non-groceries categories with distinct departments specializing in defined product areas. Examples include Bloomingdale’s, Macy’s, John Lewis, El Corte Ingles
	Hypermarkets & supermarkets	Hypermarkets/mass merchandisers include all sales through retailers with floor area over 2,500 sq m that carry full lines of both groceries and general merchandise (e.g. Wal-Mart). Supermarkets includes all sales through retailers with floor area of c.300-2,500 sq m that offer a wide, departmentalised range of groceries, and may also carry some general merchandise lines (e.g. Sainsbury’s, Kroger).
	Vending machines	Includes paid-for sales from all vending machines not located within a store (e.g. public places, workplaces, pubs & bars)
	Other general retailers	Includes other generalist retail channels not included in categories above (e.g. market traders, charity stores, student union stores).
Specialist retailers	Clothing, footwear,	Includes all sales through retailers where clothing, footwear, accessories and/or

Table 1: World Market Intelligence Retail Channel Definitions

Channel group	Channel	Definition
	accessories & luxury goods specialists	luxury goods are the main footfall drivers and account for the majority of sales.
	Drug stores & health & beauty stores	Includes all sales through beauty/cosmetics specialists, drug stores, pharmacists, health stores and opticians.
	Duty free retailers	Includes all sales through airside retailers in airports or on board an aircraft or ferry. Excludes tax free purchases by tourists at conventional stores.
	Electricals & electronics specialists	Includes all sales through retailers where electrical and/or electronic goods are the main footfall drivers and account for the majority of sales.
	Food & drinks specialists	Includes bakers, butchers, delicatessens, drinks specialists, fishmongers, greengrocers, and single category stores (e.g. stores selling only cheese, or only olives, or only honey)
	Home furniture & housewares retailers	Includes all sales through retailers where floor coverings, furniture and/or housewares are the main footfall drivers and account for the majority of sales.
	Home improvement & gardening supplies retailers	Home improvement includes all sales through retailers that specialize in the sale of home improvement tools and materials, primarily aimed at consumer rather than trade needs (e.g. Home Depot, B&Q). Gardening supplies encompasses all sales through retailers that specialize in the sale of plants and related tools and products
	Music, video, book, stationery, & entertainment software specialists	Includes all sales through retailers where books, entertainment software, music, stationery and/or video products are the main footfall drivers and account for the majority of revenues.
	Other specialist retailers	Includes all sales through flower stores, gift stores, jewelers, pet stores, and other stores that focus on one specific product or category (e.g. sunglasses stores)
Online retailing	Overall	Includes all sales of the relevant category that take place over the Internet, irrespective of whether the vendor is a pure-play Internet company or the online offering of a real-world retailer.

Source: World Market Intelligence analysis © World Market Intelligence

Table 2: World Market Intelligence Retail Category Definitions

Category group	Category	Definition
Apparel, accessories & luxury goods	Clothing & footwear	Includes all footwear categories, baby clothing, toddler clothing, and activewear, casual wear, essentials, formalwear, formalwear-occasion and outerwear for men, women, boys and girls
	Jewelry & watches	Includes gold jewelry, silver jewelry and other precious jewelry like diamonds, platinum, precious stones (sapphires, emeralds and rubies), pearls (natural and cultured) and semi-precious stones (e.g. quartz, opal, topaz, amethyst, coral etc.), fashion jewelry (non-precious jewelry), hair accessories, belts, hats, gloves, scarves, sunglasses and ties, plus watches
	Luggage & leather goods	Includes suitcases, travel bags, briefcases, handbags, wallets and purses.
Books, news and stationery	Printed media	Includes all paperback, hardbound books, books sold from internet sites like Amazon, but not e-books. Books sold to libraries are excluded. Retail sales of newspapers, periodicals and magazines are included, but subscription copies are not.
	Stationery & cards	Includes personal stationery products like notebooks, erasers, pencils, rulers, sharpeners, writing boards, exam boards, graph books, pencil boxes, geometry boxes, notebook covers, glue sticks, maps, paper clips and binders, pencil grippers, calculators, etc sold through retail channels excluding office supplies. Cards includes seasonal and everyday cards
Electricals & electronics	Communications equipment	Includes retail sales only of answer machines, fax machines, fixed-line telephones, mobile phone accessories and mobile phones.

Table 2: World Market Intelligence Retail Category Definitions

Category group	Category	Definition
	Computer hardware	Includes retail sales only of desktops and laptop computers, memory sticks, CD packs, hard disks and other data storage devices, computer peripherals, PDAs, organizers, calculators and satellite navigation systems.
	Consumer electronics	Includes CD players, DVD players/recorders, hi-fi systems, home theatre, in-car entertainment systems, portable digital audio, radios, televisions and video recorders, home use and portable games consoles
	Household appliances	Includes major domestic appliances (air conditioners, dishwashers, dryers, freezers, hobs and extractors, microwave ovens, refrigerators, stoves, vacuum cleaners and washing machines) plus minor domestic appliances (blenders, coffee machines, deep fryers, food processors, grills, hair products, hair trimmers, curling tongs, razors, hand-held mixers, irons, juicers, kettles, stand mixers, toasters, sun lamps and fans).
	Photographic equipment	Includes camcorders, cameras, projectors, camera & camcorder accessories, binoculars & telescopes
Food & groceries	Drinks	Includes retail (not on-trade) sales of soft drinks, hot drinks and alcoholic drinks
	Household products	Includes retail sales only of air fresheners, bleach, dishwashing products, furniture cleaning products, general purpose cleaners, insecticides, paper products, scouring products, textile washing products, and toilet care products.
	Packaged food	Includes retail (not foodservice) sales of bakery & cereals, canned food, chilled food, confectionery, dairy products, dried food, frozen food, ice cream, oils & fats, sauces dressings/condiments, savory snacks, soup, and spreads.
	Personal care	Includes fragrances, haircare, make-up, oral hygiene, over-the-counter healthcare, personal hygiene and skincare/suncare. Prescription drug sales are not included.
	Tobacco	Retail (including vending machine) sales of chewing tobacco, cigarettes, cigars & cigarillos, and loose tobacco.
	Unpackaged food	Includes retail (not foodservice) sales of unpackaged fruit, vegetables, meat, grains and other food categories
Furniture & floor coverings	Floor coverings	Includes retail (not trade) sales of carpets, mats, rugs, carpet tiles, hard tiles, laminates, final and wood flooring
	Furniture	Includes retail sales of domestic furniture, including bedroom furniture, dining room furniture, home office furniture, living room furniture, kitchen furniture and bathroom furniture. Does not cover contract furniture.
Home & garden products	Gardening & outdoor living	Includes garden buildings, manual and electric garden tools, garden utensils, outdoor living products (garden furniture, barbecues, ornaments, accessories), and plants & growing media (bulbs, compost, domestic fertilizer, flowering plants, seeds, shrubs and trees).
	Home improvement	Includes retail (not trade) sales of decorating materials (paint, varnish, wall tiles, wallpaper), electrical hardware (alarms, light fittings, plugs, switches), hardware (brackets, locks, nails, bolts, nuts, etc), other materials (adhesive, aggregates, boards, cement, doors, window frames, glass, bricks, timber, etc), and manual & power tools.
	Homewares	Includes home hardware (crockery, cutlery, glassware, rubbish bins, storage, mechanical utensils & home devices e.g. scales), lamps & lampshades, textiles & soft furnishings (bathroom textiles, beddings, cushions, futons, hammocks, mattresses, table linen, furniture covers, doormats), and window dressings (blinds, curtain poles, rails, curtains, hooks).
Music & video & entertainment software	Games software	Includes games for domestic games consoles, handheld games consoles, mobile phones and other wireless devices, and games for PC/Mac desktop computers. Online games are excluded (e.g. Second Life). Console hardware sales are excluded.
	Music & video	Includes prerecorded music singles, CDs, VCDs, DVDs and Blu-Ray disks, plus paid downloadable music/video.
Sports & leisure equipment	Sports equipment	Includes ball sports equipment, adventure sports equipment, fishing equipment, golf equipment, racket sports equipment, winter sports equipment, and all other sports-dedicated equipment sold at retail.

Table 2: World Market Intelligence Retail Category Definitions

Category group	Category	Definition
	Toys & games	Includes retail sales of action figures, activity toys, dolls, games, infant/baby toys, miniature models, plush toys, puzzles, ride-on model toys, and toy vehicles.

Source: World Market Intelligence analysis © World Market Intelligence

2.3 Summary Methodology

All WMI reports are rigorously sourced according to a comprehensive written methodology.

Company data: company information is derived from company annual reports, statements and websites, news releases, external news sources and information providers. Analytical company content is created by WMI's in-house analyst team based on published information, industry data and our industry expertise

Deal data: our deal reports database is derived from secondary sources including company annual reports, statements and websites, news releases, external news sources and information providers

Market data: WMI has a standard process for market data research across all of its products. Our market data research is based on:

- Review of Existing Databases – World Market Intelligence maintains databases of industry and company operational data and analysis, which are used as the foundation for our market modelling activities.
- Market Research – Collection of the latest market-specific data from a wide variety of respected industry sources at both a national and international level. Sources used include government statistics, trade associations, company filings, broker and analyst reports, and official international sources
- Data Consolidation – Our analysts benchmark data from internal and external sources to verify historical market data and to ensure that latest year data is fully supported by external opinion.
- Creation of Market Models – We feed the latest macroeconomic data and specific market drivers from national statistics offices and trade associations into our complex market models to generate market forecasts.
- Analyst Review – Modelled forecasts are refined by our experienced analyst teams, based on information collected from primary and secondary sources across the industry.
- Quality Control – We rigorously conduct checks on our data and processes throughout the production of every market profile, to ensure that the highest levels of data quality are maintained across our portfolio.

3 Market Environment

3.1 Key UK Retail Trends

- **Low consumer confidence:** Prior to 2007, there was high consumer confidence in the UK due to an apparently stable economy and employment level, but post-September 2007, decline has been noticed in confidence. Greater pressures being put on retailers as consumers have less opportunity to borrow available for optional spending and less confidence over their future employment. The lack of confidence can be directly related to the current slowdown.
- **Employment and structural changes:** The current global financial crisis and slowdown in employment can be attributed to the economic cycle. As well as the obvious impact on sales, restructuring in the retail sector could have important impacts on employment. Recently, Sainsbury's announced 200 job cuts and Tesco announced that it would be cutting approximately 5,000 jobs across its head office and management roles.
- **Flat retail employment:** Between 1999 and before summer of 2003, the retail sector created approximately 236,000 new jobs and by the summer of 2003 retail employment had risen to just over 3.0 million. During 2004-2007, retail employment kept on fluctuating and the retail employment has been almost the same from past few years as in 2008 also the UK retail sector employs approximately 3.0 million people.

3.2 Major UK Retail Growth Drivers

- **Lower household expenses:** Households in the UK that have remained untouched by job cuts, have seen increased disposable income due to declining interest rates. Mortgage payments in the UK have declined by 25% by mid 2009 over the previous year. The average household saving is around £200 (US\$371.0) per month, primarily due to lower mortgages, low interest rates, and drop in petrol, electricity and gas prices when compared to 2008. Disposable income for households without change in employment status has risen to £1,075 (\$1,995) in 2009 as compared with £859 (US\$1,594) in 2008. The mortgage payments have declined by 20% over 2008, while petrol, electricity and gas prices have come down by 5%, 8% and 5%, respectively. Consumer confidence has also picked up owing to indications of stability in economy and housing market. The increase in disposable income and rising consumer confidence could in turn add up to the increased sales of retailers.
- **Reduction in Value Added Tax (VAT):** The UK government announced a reduction in VAT for a period of 13 months extending from December 1 2008 to December 31 2009. This reduction was aimed at boosting the consumer spending and supports the retailers during the recession. This measure is expected to benefit an average customer by saving £170 (\$315.4). This would come to around £12.5 billion (\$23.2 billion) in consumer savings during the relaxation period.
- **Retail rents coming down:** Retail rents in the UK are coming down as the recession is forcing retailers to close down stores creating vacancy. By 2010, retail rents are likely to come down by 20%. The rents in 2009 were already down by 11% in 2009, as owners of malls and shopping areas are forced to offer better deals to retailers. Landlords in some areas were forced to offer rent free accommodation for

some years as the number of store closures surged in 2009. The collapse of Woolworth's alone led to 800 vacant stores. Apart from that there were MFI, Adams, Whittard, Morgan and Birthdays retail store closures. These store closures resulted in lot of unwanted space of the property owners. With the rising vacancy rates retailers going for expansion are in a better position to bargain for lower rents and rent free periods.

3.3 Major UK Retail Challenges

- **Shortage of skilled personnel:** Even though unemployment in the UK has been rising, there is a shortage of skilled labor, because of mismatch between the required skills and available labor. Around 40% of businesses in London complain about the shortage of right talent for the jobs available. Although the recession has eased labor market conditions, the shortage of skilled workers will prolong the time for the UK to show a full economic recovery. Among the various sectors suffering from shortage of skilled labor, the combined hospitality, leisure and retail sector recorded third position with labor shortage of 50%.
- **Recession and unemployment:** Consumer confidence in the UK has been demoralizing given the economic downturn and the poor housing market, while job losses across the board have adversely affected the morale of the UK consumer. As a result consumers have started curbing spending and are using the money to pay off debt and build savings. Strategies to attract the customers to stores have generally gone in vain. High street stores started offering discounts to the extent of 50% to increase the store foot fall before the Christmas holiday season, but retail sales have still shown strong declines in 2009 centered on high street players.
- **Boomer generation:** The population of people over 65 is swelling due to the increase in life expectancy. The growth in the old age population will be heightened during the period 2009-2014. Consumer spending in this age group is lower in all non-food categories than the population at large: over-65s tend to be less skewed towards fashion, technology and design, accounting for their lower spend on products. If the current 55-65 generation sees its preferences change with age, this will be bad news for non-food retailers
- **Pricing war in the UK retail market:** The reduction of VAT in the UK had some impact in starting a price war among the top players, with the smaller players standing to lose out in the competition. Passing on price cuts and changing the tags was expensive for smaller retailers, while the reduction in VAT benefited large chains. Retailers such as Asda, Sainsbury and Tesco started cutting prices to lure customers to shop in their stores. At the same time, Tesco announced price cuts up to 50% on about 1,000 products initiating price war, with Asda and Sainsbury following suit.

4 Channel Analysis: UK Retail Market

This section of this report provides insight into the UK retail market at channel level. It considers four key channel groups: online retailers; specialist retailers; general retailers and discount retailers.

Data is presented in three ways: at overview level; by breaking down each channel group by the channels that it is made of; and by breaking down each channel by the category groups that are sold through it.

4.1 Retail Channels Overview

The UK retail market is **dominated by generalist retailers** – a group which is itself dominated by supermarkets and hypermarkets. The UK's largest supermarket chain, Tesco, is reported to account for one in every seven pounds spent in the country.

The UK's **online retailing market has been an unequivocal success story**, with strong growth expected for 2009 despite overall poor market performance. While online retailing was initially confined to categories such as books and recorded music, with generic products that do not require a tactile experience prior to purchase, improvements in technology that provide users with 3D pictures, online planners, virtual avatars to wear clothes, and similar parallels to the real-world shopping experience, have allowed it to extend into more categories with more complex purchasing patterns.

Online retailing was initially dominated by pure-play companies, and indeed US-based Amazon.com remains one of the UK's largest online retailers. However, **real-world players are increasingly involved in online retailing**. Tesco was a global pioneer of online grocery retailing, and other established companies across all sectors are stepping up their own online offering to counter the threat from low-priced online competitors. A 2009 advertising campaign for DSG's Dixons.co.uk online electronics store parodied the look and feel of campaigns from high-end department stores such as John Lewis and Harrods, encouraging consumers to try products at these stores and then buy them at a substantial discount from DSG's website.

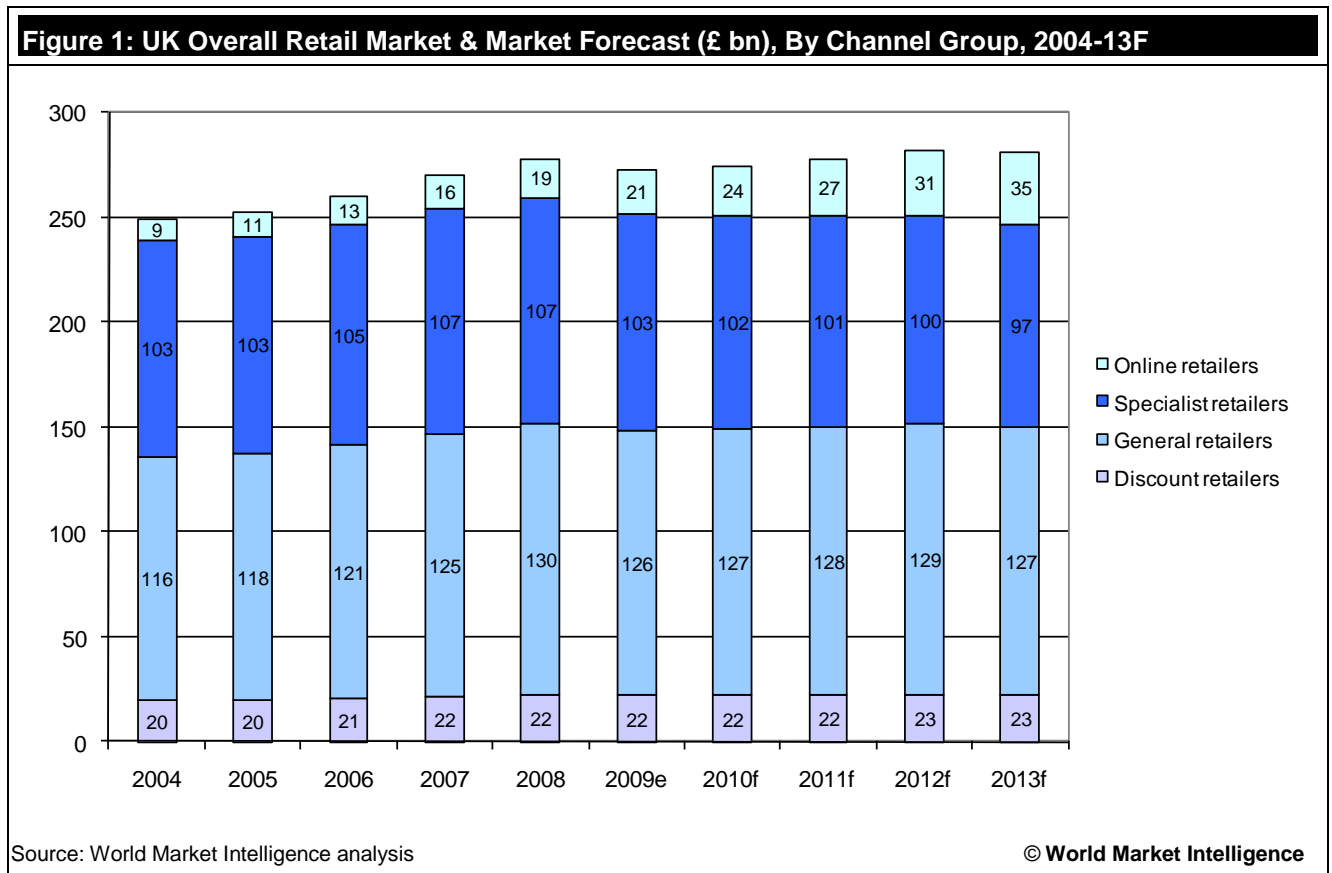
Specialist retailers account for almost 40% of retail sales. However, they have been declining in both relative and absolute terms in recent years. **As well as losing share to supermarkets, specialists have also been losing out to online sales**. Clothing retail is a good example of the general pressures facing the UK's specialists, with the low-end of clothing being squeezed by supermarket own-brand ranges such as George at Asda, whilst at the same time fashionable online retailers such as ASOS put pressure on high street collections.

Unlike many European retail markets, discount **stores have not achieved major scale in the UK**. Mainland European hard discount grocery players such as Aldi, Lidl and Netto have a presence which has continued to increase in the current economic climate, but remain niche stores and are not regularly frequented by mainstream consumers. Much of the UK discount environment consists of 'pound shops' (dollar-store equivalents) that stock an ever-changing range of very cheap products targeted at very low income consumers. While the recession has increased discounters' market shares, its impact on low-income consumers' disposable incomes has actually led to a fall in sales from the discount channel.

4.2 Retail Channels Data

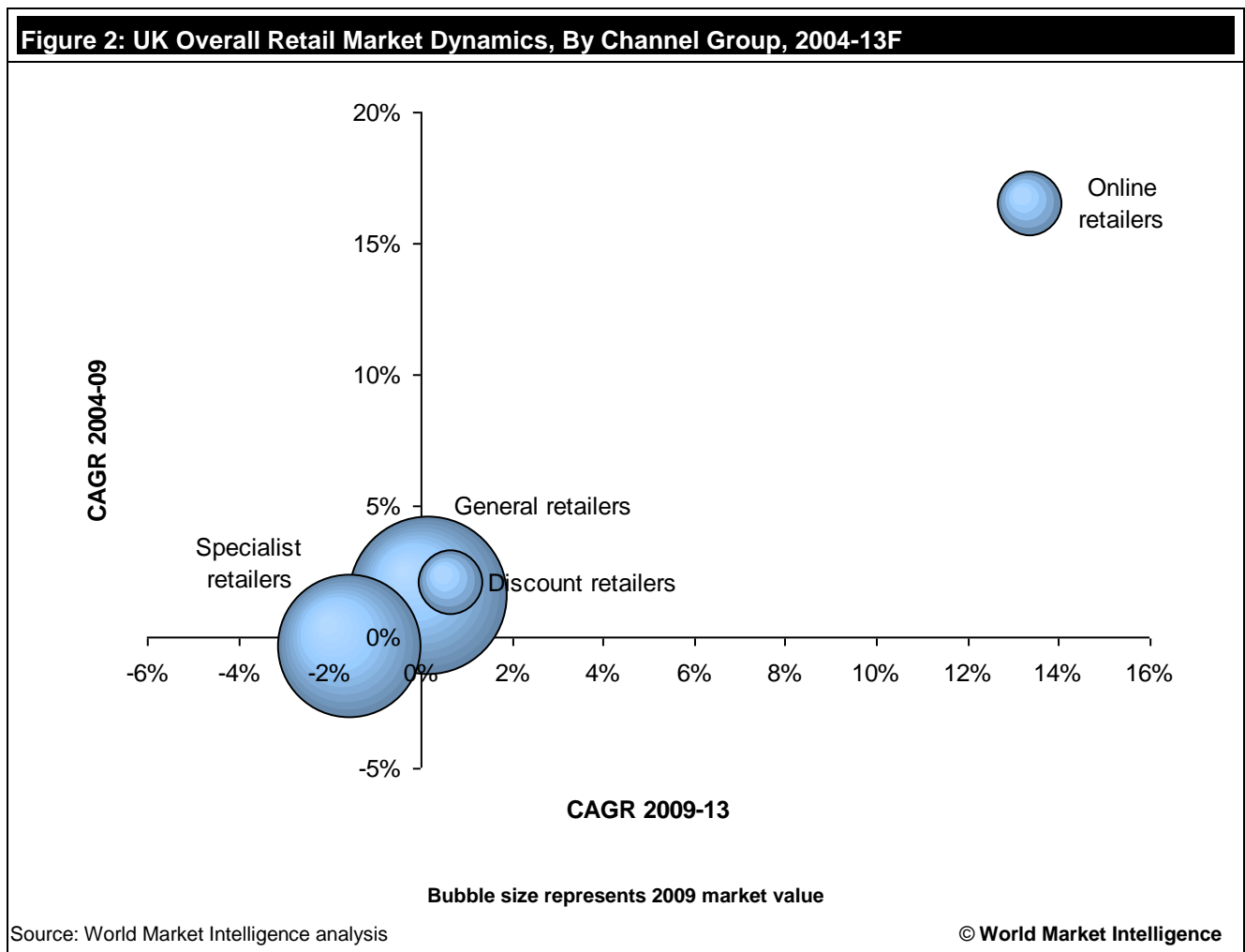
The leading channel group in the UK retail market is general retailers, with £130bn (US\$240bn) of sales in 2008 accounting for 47% of the overall market. The second-largest group is specialist retailers, which recorded sales of £108bn (US\$199bn) in 2008. Discount retailers accounted for £22.4bn (US\$41.5bn) in 2008, while the smallest channel was online retailers with a value of £18.6bn (US\$34.6bn).

For 2009, WMI estimates that the corresponding figures will be £126bn for general retailers, £103bn for specialist retailers, £21.9bn for discounters, and £20.9bn for online.



At channel group level, the most obvious development in the UK retail market has been the massive growth of online retail. Online retailers showed growth at an average annual rate of 17% from 2004-2009, and – with market penetration still only at 8% of total retail sales – there is still substantial room for growth in the online category as technology improves. The category is projected to grow at 13% per year from 2009-2013, to account for more than 12% of total retail sales by 2013.

The performance of online overshadows developments in other categories in the chart below. However, there are clear dynamic shifts going on in real-world stores too: specialist retailers shrank in relative terms between 2004 and 2009, and are expected to shrink in absolute terms over the next four years even as the market recovers. They are losing share to online retailers and general retailers – meanwhile, general retailers are losing share to discounters. Hence, the general retail category is expected to grow exactly in line with the market to 2013, while discounters gain moderate share and the online channel absorbs all net market growth.



The following tables provide detailed data on overall UK retail market historic and forecast values, growth and share by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 3: UK Overall Retail Market (£ bn), By Channel Group, 2004-09E								
Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	19.7	20.0	20.6	21.5	22.4	21.9	3.3%	2.2%
General retailers	116.4	117.5	120.8	125.4	129.5	126.4	2.7%	1.7%
Specialist retailers	103.3	103.4	104.9	107.1	107.5	103.2	1.0%	0.0%
Online retailers	9.5	11.2	13.4	16.0	18.6	20.9	18.4%	17.2%
Overall	248.9	252.2	259.7	270.1	278.0	272.4	2.8%	1.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 4: UK Overall Retail Market Forecast (£ bn), By Channel Group, 2008-2013								
Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	22.4	21.9	22.1	22.4	22.7	22.5	0.1%	0.7%
General retailers	129.5	126.4	126.9	127.6	128.6	127.3	-0.3%	0.2%
Specialist retailers	107.5	103.2	101.6	100.5	99.6	96.9	-2.1%	-1.6%
Online retailers	18.6	20.9	24.1	27.4	31.2	34.6	13.2%	13.4%
Overall	278.0	272.4	274.7	277.9	282.0	281.4	0.4%	0.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 5: UK Overall Retail Market Segmentation (% value), By Channel Group, 2004-2013				
Channel group	2004	2008	2009E	2013F
Discount retailers	7.9%	8.0%	8.1%	8.0%
General retailers	46.8%	46.6%	46.4%	45.3%
Specialist retailers	41.5%	38.7%	37.9%	34.4%
Online retailers	3.8%	6.7%	7.7%	12.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 6: UK Overall Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	41.5	40.7	41.1	41.5	42.0	41.8	41.5	40.7
General retailers	240.3	234.5	235.4	236.7	238.6	236.2	240.3	234.5
Specialist retailers	199.4	191.4	188.5	186.5	184.7	179.7	199.4	191.4
Online retailers	34.6	38.9	44.7	50.9	57.8	64.2	34.6	38.9
Overall	515.7	505.4	509.7	515.6	523.1	522.0	515.7	505.4

Source: World Market Intelligence analysis

© World Market Intelligence

Table 7: UK Overall Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	41.5	40.7	41.1	41.5	42.0	41.8	0.1%	0.7%
General retailers	240.3	234.5	235.4	236.7	238.6	236.2	-0.3%	0.2%
Specialist retailers	199.4	191.4	188.5	186.5	184.7	179.7	-2.1%	-1.6%
Online retailers	34.6	38.9	44.7	50.9	57.8	64.2	13.2%	13.4%
Overall	515.7	505.4	509.7	515.6	523.1	522.0	0.4%	0.2%

Source: World Market Intelligence analysis

© World Market Intelligence

5 Channel Analysis: Discount Retailers

This chapter considers the UK discount retailer channel group. Data is presented breaking down the group by the channels that it is made of, and the category groups that are sold through the channel.

5.1 Discount Retailers Channel Overview

Discount retailers in the UK are split into two core categories: cash & carries & warehouse clubs, and discount, variety & general merchandise.

Cash & carries sell from a wholesale warehouse to customers (small retailers, professional users, etc) who pay on the spot and transport goods away themselves. Warehouse clubs are no-frills stores that sell discounted goods to members who pay an annual fee. Discount/variety stores includes all sales through stores that sell inexpensive items (especially cleaning supplies, toys, and confectionery) at a single or limited number of price points and are named for the price of the merchandise (e.g. dollar store, pound store). General merchandise includes all sales through stores that offer a wider selection of primarily non-food goods at inexpensive prices.

5.2 Discount Retailers Data By Category Group

The following charts analyze UK discount retail split out by category group:

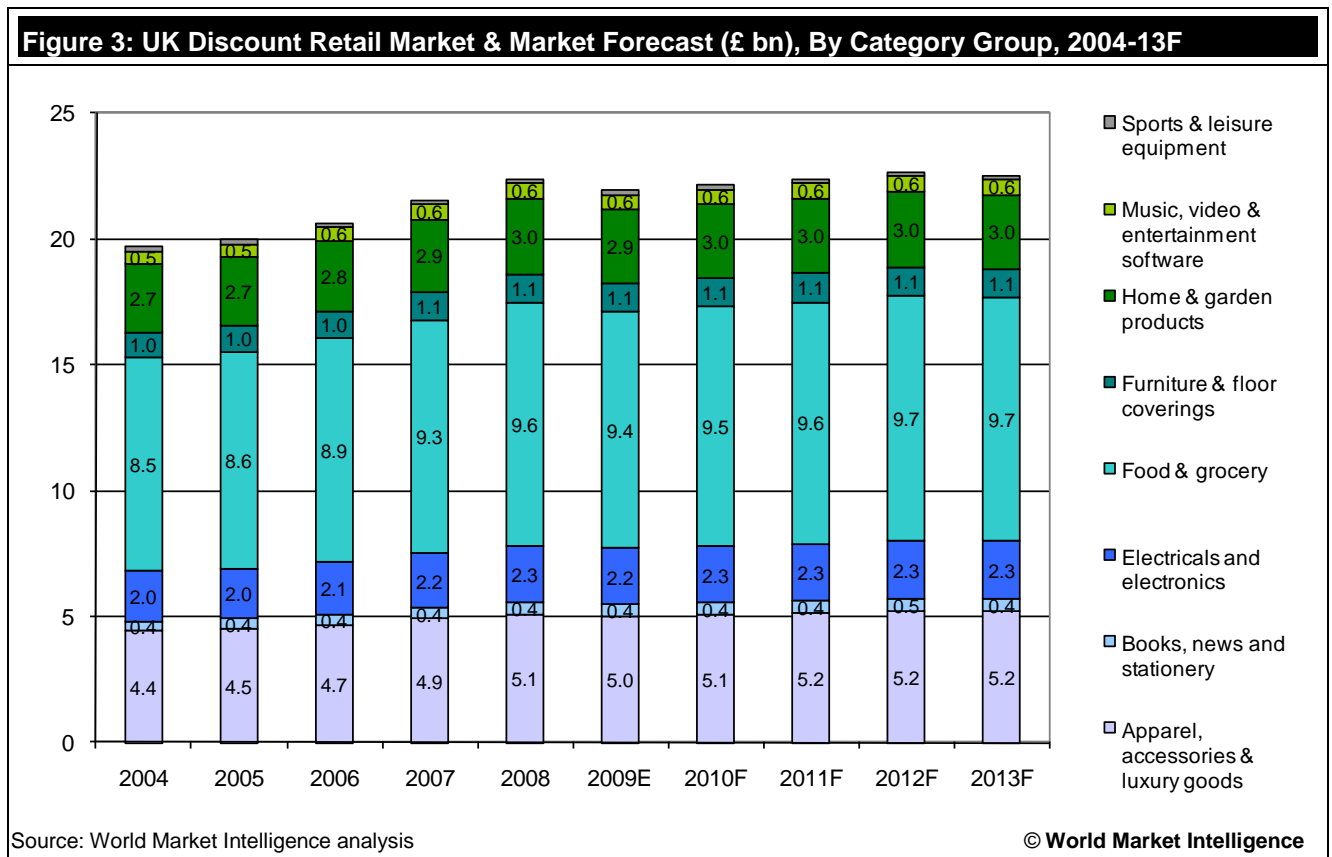
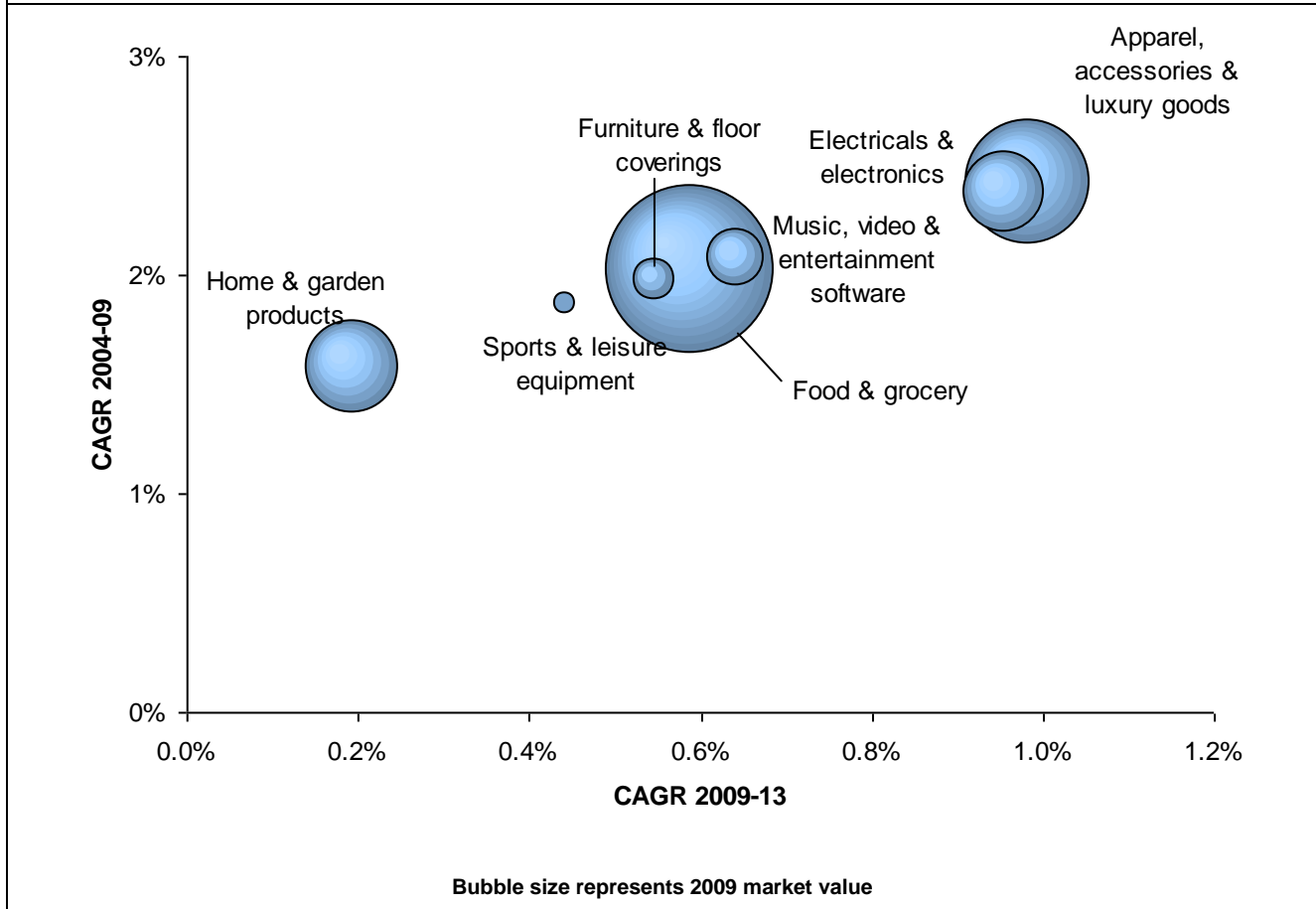


Figure 4: UK Discount Retail Market Dynamics, By Category Group, 2004-13F



Source: World Market Intelligence analysis

© World Market Intelligence

The following tables provide detailed data on UK discount retail historic and forecast values, growth and share by category group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 8: UK Discount Retail Market (£ bn), By Category Group, 2004-09E								
Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	4.4	4.5	4.7	4.9	5.1	5.0	3.6%	2.5%
Books, news and stationery	0.4	0.4	0.4	0.4	0.4	0.4	3.2%	2.2%
Electricals and electronics	2.0	2.0	2.1	2.2	2.3	2.2	3.5%	2.5%
Food & Groceries	8.5	8.6	8.9	9.3	9.6	9.4	3.2%	2.1%
Furniture & floor coverings	1.0	1.0	1.0	1.1	1.1	1.1	3.2%	2.2%
Home & garden products	2.7	2.7	2.8	2.9	3.0	2.9	2.7%	1.7%
Music & video and entertainment software	0.5	0.5	0.6	0.6	0.6	0.6	3.1%	2.1%
Sports & leisure equipment	0.2	0.2	0.2	0.2	0.2	0.2	3.0%	2.0%
Overall	19.7	20.0	20.6	21.5	22.4	21.9	3.3%	2.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 9: UK Discount Retail Market Forecast (£ bn), By Category Group, 2008-2013								
Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	5.1	5.0	5.1	5.2	5.2	5.2	0.5%	1.0%
Books, news and stationery	0.4	0.4	0.4	0.4	0.5	0.4	0.1%	0.6%
Electricals and electronics	2.3	2.2	2.3	2.3	2.3	2.3	0.4%	1.0%
Food & Groceries	9.6	9.4	9.5	9.6	9.7	9.7	0.1%	0.6%
Furniture & floor coverings	1.1	1.1	1.1	1.1	1.1	1.1	0.1%	0.6%
Home & garden products	3.0	2.9	3.0	3.0	3.0	3.0	-0.3%	0.2%
Music & video and entertainment software	0.6	0.6	0.6	0.6	0.6	0.6	0.0%	0.5%
Sports & leisure equipment	0.2	0.2	0.2	0.2	0.2	0.2	-0.1%	0.4%
Overall	22.4	21.9	22.1	22.4	22.7	22.5	0.1%	0.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 10: UK Discount Retail Market Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	22.5%	22.8%	22.9%	23.2%
Books, news and stationery	2.0%	2.0%	2.0%	2.0%
Electricals and electronics	10.1%	10.2%	10.2%	10.3%
Food & Groceries	43.1%	43.0%	43.0%	42.8%
Furniture & floor coverings	5.1%	5.1%	5.1%	5.0%
Home & garden products	13.8%	13.5%	13.4%	13.2%
Music & video & entertainment software	2.7%	2.7%	2.7%	2.7%
Sports & leisure equipment	0.8%	0.8%	0.8%	0.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 11: UK Discount Retail Market (US\$ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	8.2	8.4	8.7	9.1	9.5	9.3	3.6%	2.5%
Books, news and stationery	0.7	0.7	0.8	0.8	0.8	0.8	3.2%	2.2%
Electricals and electronics	3.7	3.7	3.9	4.1	4.2	4.2	3.5%	2.5%
Food & Groceries	15.7	16.0	16.5	17.2	17.9	17.5	3.2%	2.1%
Furniture & floor coverings	1.8	1.9	1.9	2.0	2.1	2.1	3.2%	2.2%
Home & garden products	5.0	5.1	5.2	5.4	5.6	5.5	2.7%	1.7%
Music & video and entertainment software	1.0	1.0	1.0	1.1	1.1	1.1	3.1%	2.1%
Sports & leisure equipment	0.3	0.3	0.3	0.3	0.3	0.3	3.0%	2.0%
Overall	36.5	37.0	38.3	40.0	41.5	40.7	3.3%	2.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 12: UK Discount Retail Market Forecast (US\$ bn), By Category Group, 2008-2013

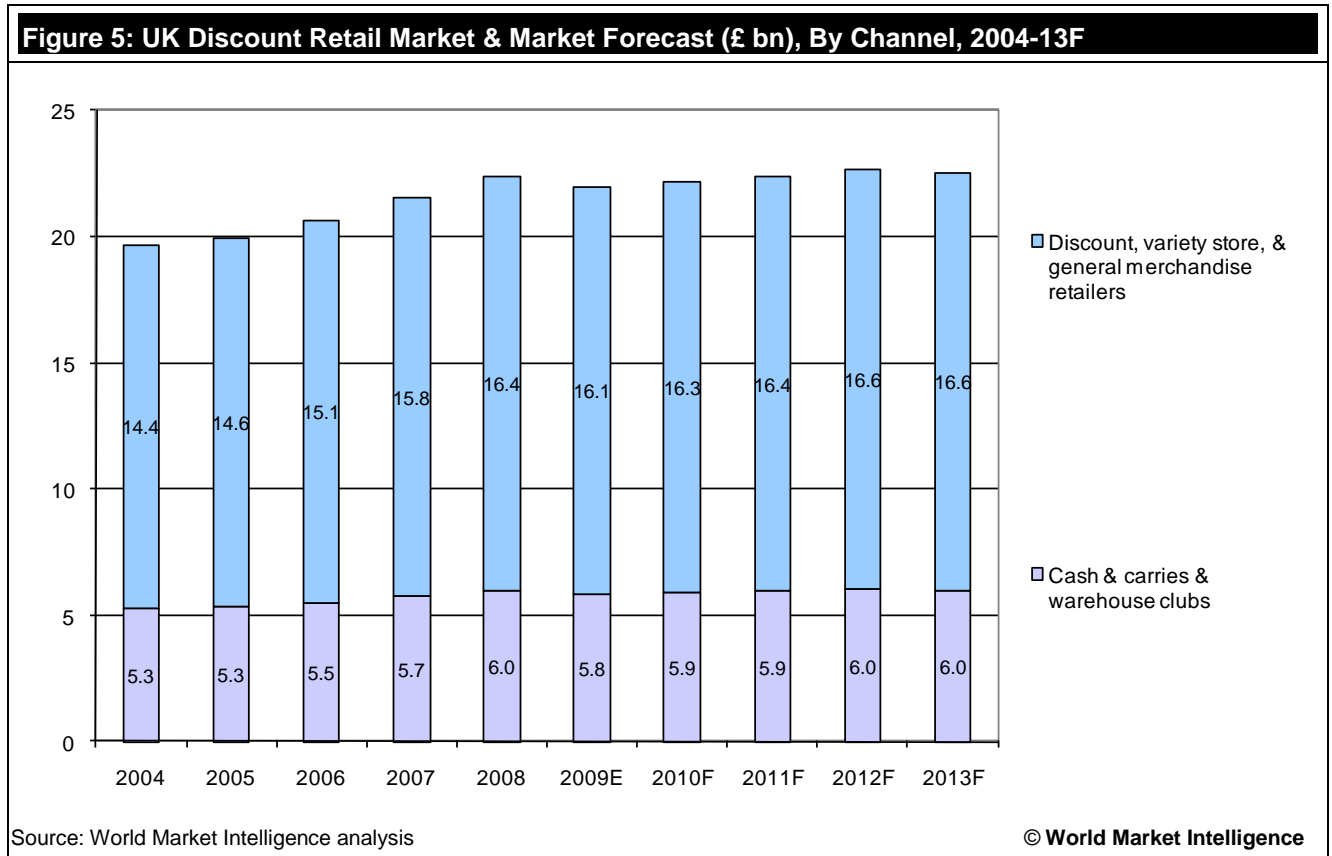
Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	9.5	9.3	9.4	9.6	9.7	9.7	0.5%	1.0%
Books, news and stationery	0.8	0.8	0.8	0.8	0.8	0.8	0.1%	0.6%
Electricals and electronics	4.2	4.2	4.2	4.3	4.3	4.3	0.4%	1.0%
Food & Groceries	17.9	17.5	17.6	17.8	18.0	17.9	0.1%	0.6%
Furniture & floor coverings	2.1	2.1	2.1	2.1	2.1	2.1	0.1%	0.6%
Home & garden products	5.6	5.5	5.5	5.5	5.6	5.5	-0.3%	0.2%
Music & video and entertainment software	1.1	1.1	1.1	1.1	1.1	1.1	0.0%	0.5%
Sports & leisure equipment	0.3	0.3	0.3	0.3	0.3	0.3	-0.1%	0.4%
Overall	41.5	40.7	41.1	41.5	42.0	41.8	0.1%	0.7%

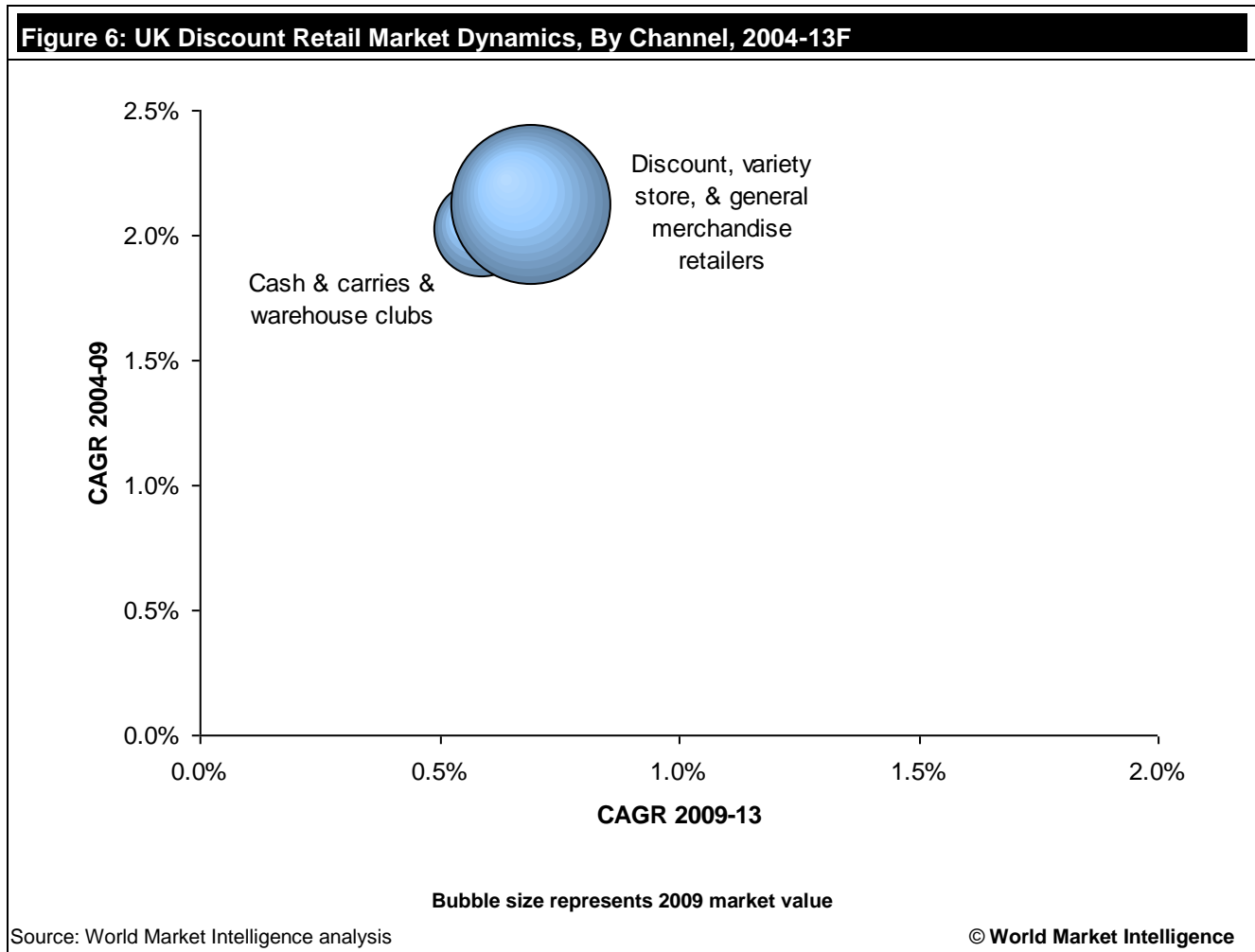
Source: World Market Intelligence analysis

© World Market Intelligence

5.3 Discount Retailers Data By Channel

The following charts analyze UK discount retail split out by individual channels:





The following tables provide detailed data on UK discount retail historic and forecast values, growth and share, presented in £ and in US\$ at constant 2008 exchange rates:

Table 13: UK Discount Retail Market (£ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Cash & carries & warehouse clubs	5.3	5.3	5.5	5.7	6.0	5.8	3.2%	2.1%
Discount, variety store, & general merchandise	14.4	14.6	15.1	15.8	16.4	16.1	3.3%	2.2%
Overall	19.7	20.0	20.6	21.5	22.4	21.9	3.3%	2.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 14: UK Discount Retail Market Forecast (£ bn), By Channel, 2008-2013

Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Cash & carries & warehouse clubs	6.0	5.8	5.9	5.9	6.0	6.0	0.1%	0.6%
Discount, variety store, & general merchandise	16.4	16.1	16.3	16.4	16.6	16.6	0.2%	0.7%
Overall	22.4	21.9	22.1	22.4	22.7	22.5	0.3%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 15: UK Discount Retail Market Segmentation (% value), By Channel, 2004-2013

Channel	2004	2008	2009E	2013F
Cash & carries & warehouse clubs	26.7%	26.6%	26.6%	26.5%
Discount, variety store, & general merchandise	73.3%	73.4%	73.4%	73.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 16: UK Discount Retail Market (US\$ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Cash & carries & warehouse clubs	9.8	9.9	10.2	10.6	11.1	10.8	3.2%	2.1%
Discount, variety store, & general merchandise	26.8	27.1	28.1	29.3	30.5	29.9	3.3%	2.2%
Overall	36.5	37.0	38.3	40.0	41.5	40.7	3.3%	2.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 17: UK Discount Retail Market Forecast (US\$ bn), By Channel, 2008-2013

Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Cash & carries & warehouse clubs	11.1	10.8	10.9	11.0	11.2	11.1	0.1%	0.6%
Discount, variety store, & general merchandise	30.5	29.9	30.2	30.5	30.9	30.7	0.2%	0.7%
Overall	41.5	40.7	41.1	41.5	42.0	41.8	0.3%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

5.4 Cash & Carries & Warehouse Clubs

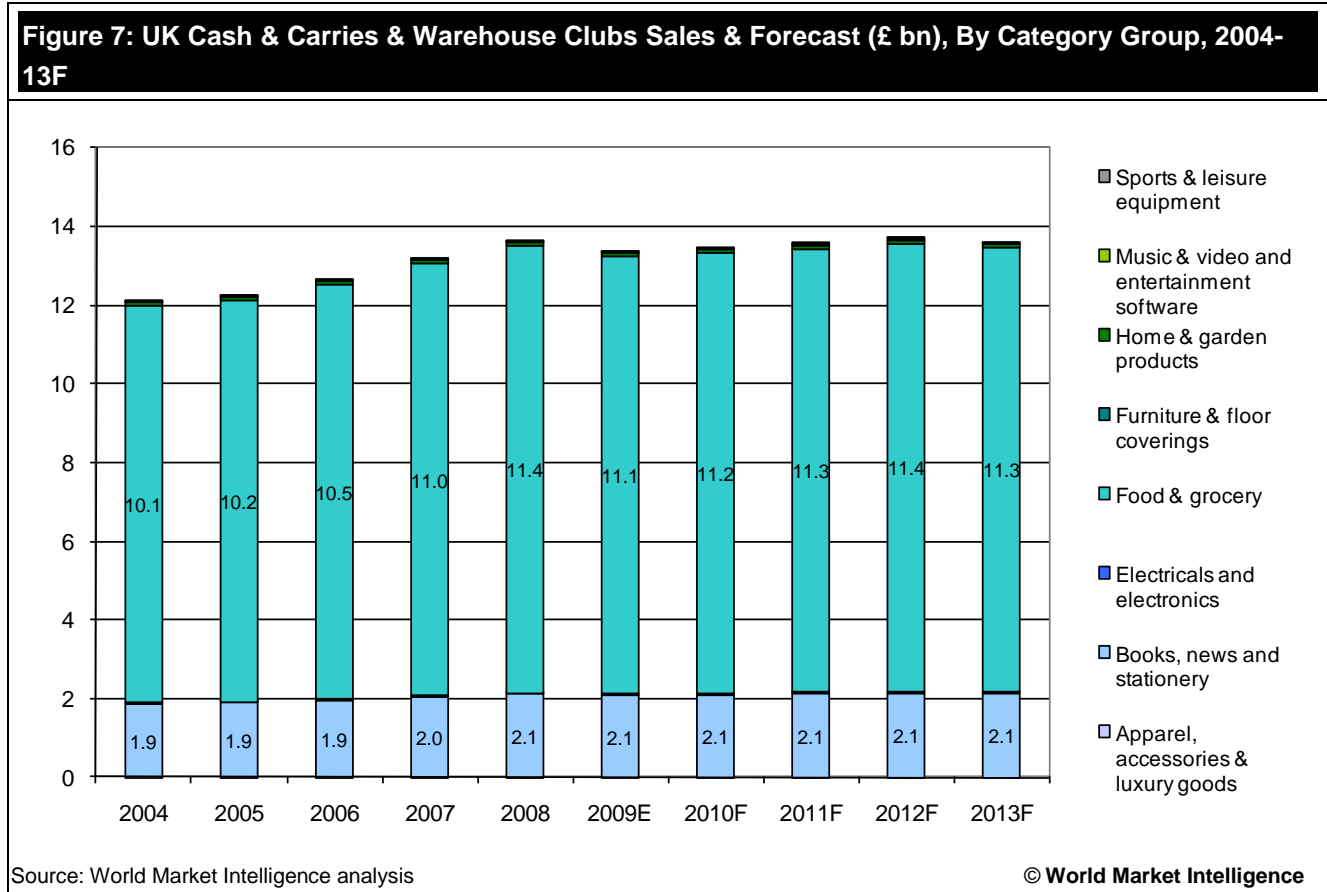


Table 18: UK Cash & Carries & Warehouse Clubs Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	1.9	1.9	1.9	2.0	2.1	2.1	3.3%	2.3%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	3.2%	2.2%
Food & Groceries	10.1	10.2	10.5	11.0	11.4	11.1	3.0%	1.9%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	3.4%	2.3%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	4.4%	3.3%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	3.8%	2.8%
Overall	12.1	12.2	12.6	13.1	13.6	13.3	3.0%	2.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 19: UK Cash & Carries & Warehouse Clubs Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	2.1	2.1	2.1	2.1	2.1	2.1	0.2%	0.7%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	0.1%	0.6%
Food & Groceries	11.4	11.1	11.2	11.3	11.4	11.3	-0.1%	0.4%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	0.3%	0.8%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	1.3%	1.8%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.7%	1.2%
Overall	13.6	13.3	13.4	13.5	13.7	13.6	-0.1%	0.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 20: UK Cash & Carries & Warehouse Clubs Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	15.3%	15.5%	15.6%	15.7%
Electricals and electronics	0.2%	0.2%	0.2%	0.2%
Food & Groceries	83.7%	83.5%	83.4%	83.3%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.7%	0.7%	0.7%	0.7%
Music & video & entertainment software	0.1%	0.1%	0.1%	0.1%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

5.5 Discount, Variety Store, & General Merchandise Retailers

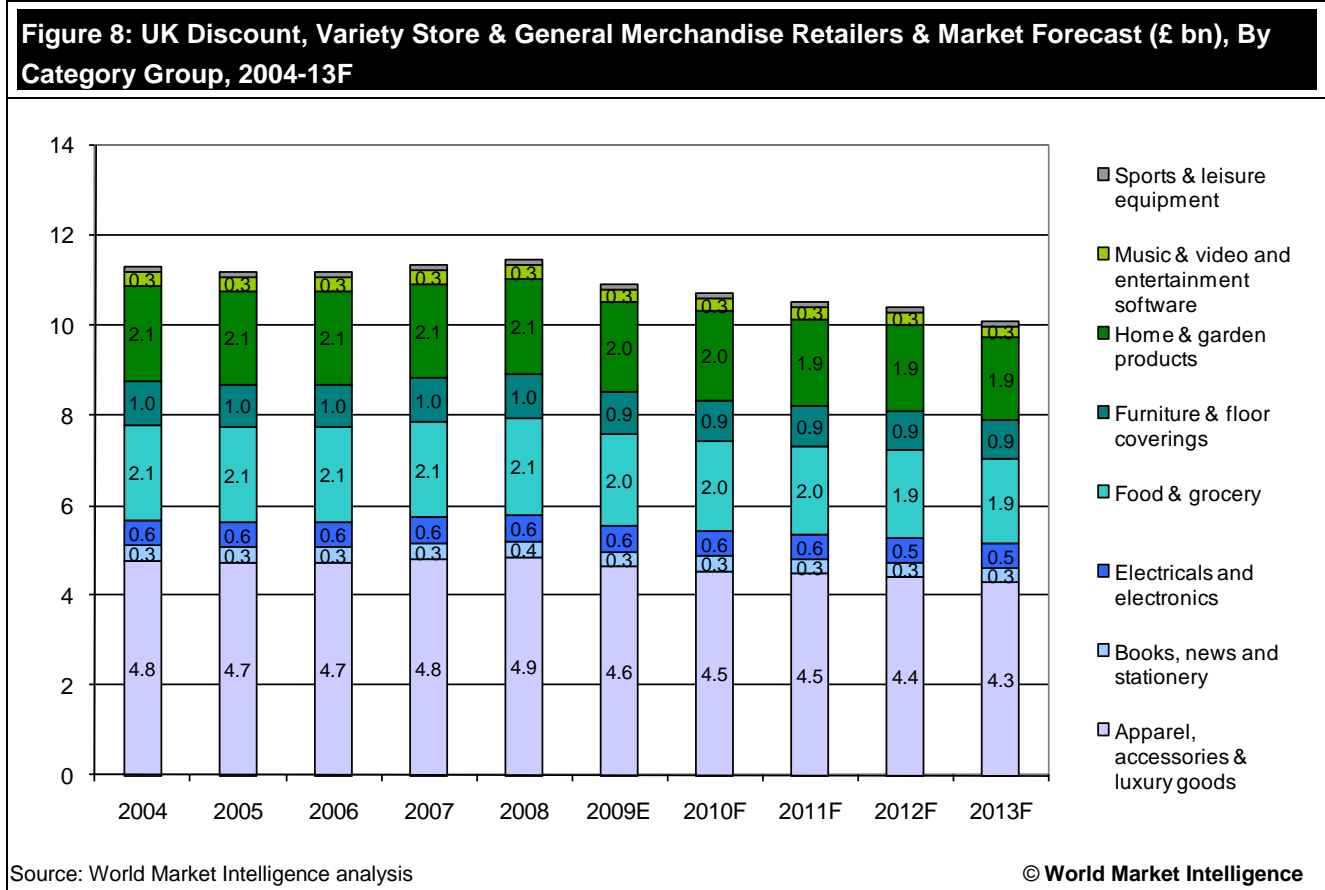


Table 21: UK Discount, Variety Store & General Merchandise Retailers (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	4.8	4.7	4.7	4.8	4.9	4.6	0.5%	-0.5%
Books, news and stationery	0.3	0.3	0.3	0.3	0.4	0.3	0.2%	-0.9%
Electricals and electronics	0.6	0.6	0.6	0.6	0.6	0.6	0.7%	-0.3%
Food & Groceries	2.1	2.1	2.1	2.1	2.1	2.0	0.3%	-0.7%
Furniture & floor coverings	1.0	1.0	1.0	1.0	1.0	0.9	0.1%	-0.9%
Home & garden products	2.1	2.1	2.1	2.1	2.1	2.0	0.2%	-0.9%
Music & video and entertainment software	0.3	0.3	0.3	0.3	0.3	0.3	0.0%	-1.0%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.0%	-1.0%
Overall	11.3	11.2	11.2	11.4	11.5	10.9	0.3%	-0.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 22: UK Discount, Variety Store & General Merchandise Retailers Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	4.9	4.6	4.5	4.5	4.4	4.3	-2.4%	-1.8%
Books, news and stationery	0.4	0.3	0.3	0.3	0.3	0.3	-2.7%	-2.2%
Electricals and electronics	0.6	0.6	0.6	0.6	0.5	0.5	-2.2%	-1.6%
Food & Groceries	2.1	2.0	2.0	2.0	1.9	1.9	-2.6%	-2.0%
Furniture & floor coverings	1.0	0.9	0.9	0.9	0.9	0.9	-2.7%	-2.2%
Home & garden products	2.1	2.0	2.0	1.9	1.9	1.9	-2.7%	-2.1%
Music & video and entertainment software	0.3	0.3	0.3	0.3	0.3	0.3	-2.8%	-2.3%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	-2.8%	-2.3%
Overall	11.5	10.9	10.7	10.5	10.4	10.1	-2.5%	-2.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 23: UK Discount, Variety Store & General Merchandise Retailers Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	42.0%	42.3%	42.4%	42.6%
Books, news and stationery	3.1%	3.1%	3.0%	3.0%
Electricals and electronics	5.1%	5.2%	5.2%	5.3%
Food & Groceries	18.7%	18.7%	18.6%	18.6%
Furniture & floor coverings	8.7%	8.6%	8.6%	8.5%
Home & garden products	18.6%	18.5%	18.4%	18.3%
Music & video & entertainment software	2.6%	2.6%	2.6%	2.5%
Sports & leisure equipment	1.2%	1.2%	1.2%	1.2%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

6 Channel Analysis: General Retailers

This chapter considers the UK general retailer channel group. Data is presented breaking down the group by the channels that it is made of, and the category groups that are sold through the channel.

6.1 General Retailers Channel Overview

General retailers in the UK represent multiple categories: convenience stores and gas stations; department stores; hypermarkets & supermarkets; vending machines; and other general retailers.

Convenience stores & gas stations includes all sales through stores generally less than 300 sq m that specialize in a limited range of food & groceries products designed primarily for convenience-seeking consumers. Also includes sales in retail outlets attached to gas stations where fuel is the main revenue driver, kiosks, and news stands.

Department stores includes all sales through multi-category retailers focusing primarily on non-groceries categories with distinct departments specializing in defined product areas. Examples include John Lewis, House of Fraser.

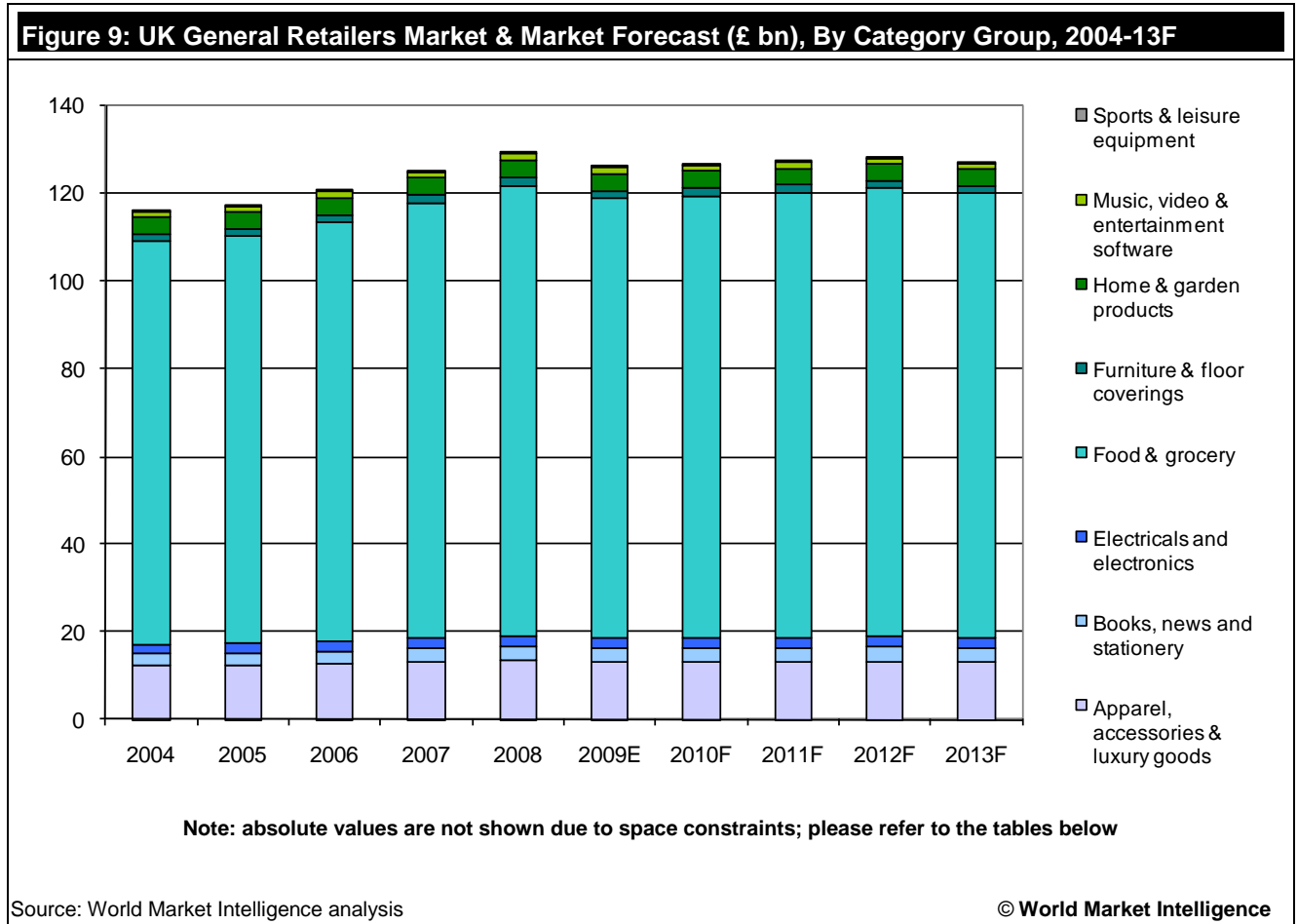
Hypermarkets/mass merchandisers include all sales through retailers with floor area over 2,500 sq m that carry full lines of both groceries and general merchandise (e.g. Tesco Extra). Supermarkets includes all sales through retailers with floor area of c.300-2,500 sq m that offer a wide, departmentalised range of groceries, and may also carry some general merchandise lines (e.g. Tesco Metro, Morrisons).

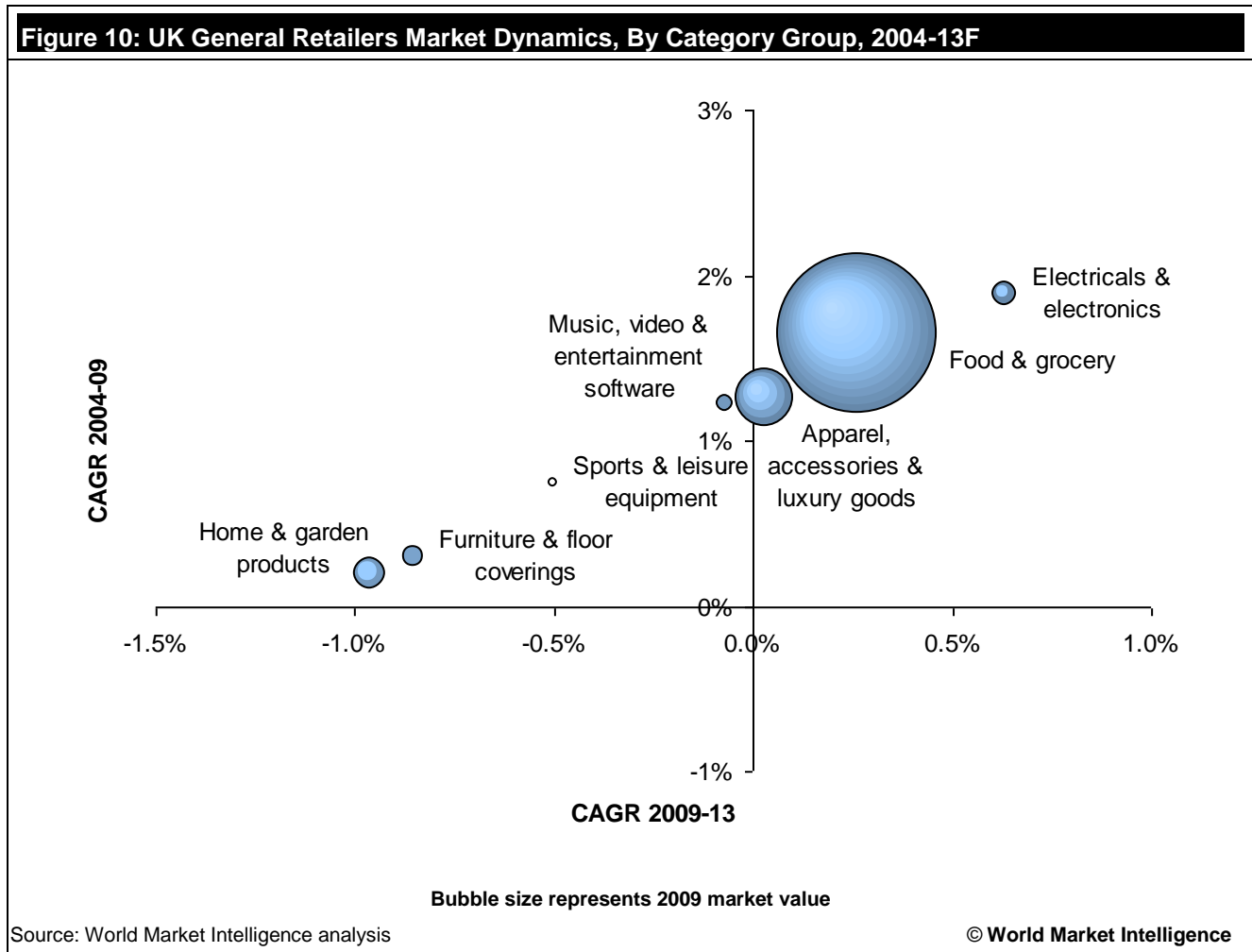
Vending machines includes paid-for sales from all vending machines not located within a store (e.g. public places, workplaces, pubs & bars). In the UK, this is almost solely limited to food, beverage and tobacco sales.

Other general retailers include other generalist retail channels not included in categories above (e.g. market traders, charity stores, student union stores).

6.2 General Retailers Data By Category Group

The following charts analyze UK general retail split out by category group:





The following tables provide detailed data on UK general retail historic and forecast values, growth and share, by category group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 24: UK General Retailers Market (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	12.2	12.3	12.6	13.0	13.4	13.1	2.4%	1.4%
Books, news and stationery	3.0	3.0	3.1	3.2	3.3	3.2	2.8%	1.8%
Electricals and electronics	2.1	2.1	2.2	2.3	2.4	2.3	3.0%	2.0%
Food & Groceries	91.9	92.9	95.6	99.4	102.7	100.3	2.8%	1.8%
Furniture & floor coverings	1.7	1.7	1.7	1.8	1.8	1.8	1.5%	0.5%
Home & garden products	3.9	3.9	3.9	4.0	4.1	4.0	1.4%	0.3%
Music & video and entertainment software	1.2	1.2	1.3	1.3	1.4	1.3	2.4%	1.3%
Sports & leisure equipment	0.4	0.4	0.4	0.4	0.4	0.4	1.9%	0.9%
Overall	116.4	117.5	120.8	125.4	129.5	126.4	2.7%	1.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 25: UK General Retailers Market Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	13.4	13.1	13.1	13.1	13.2	13.1	-0.5%	0.0%
Books, news and stationery	3.3	3.2	3.2	3.3	3.3	3.3	-0.2%	0.3%
Electricals and electronics	2.4	2.3	2.3	2.3	2.4	2.4	0.1%	0.6%
Food & Groceries	102.7	100.3	100.8	101.5	102.3	101.4	-0.3%	0.3%
Furniture & floor coverings	1.8	1.8	1.7	1.7	1.7	1.7	-1.4%	-0.9%
Home & garden products	4.1	4.0	3.9	3.9	3.9	3.8	-1.5%	-1.0%
Music & video and entertainment software	1.4	1.3	1.3	1.3	1.3	1.3	-0.6%	-0.1%
Sports & leisure equipment	0.4	0.4	0.4	0.4	0.4	0.4	-1.0%	-0.5%
Overall	129.5	126.4	126.9	127.6	128.6	127.3	-0.3%	0.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 26: UK General Retailers Market Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	10.5%	10.4%	10.3%	10.3%
Books, news and stationery	2.5%	2.6%	2.6%	2.6%
Electricals and electronics	1.8%	1.8%	1.8%	1.9%
Food & Groceries	79.0%	79.3%	79.4%	79.6%
Furniture & floor coverings	1.5%	1.4%	1.4%	1.3%
Home & garden products	3.4%	3.2%	3.1%	3.0%
Music & video & entertainment software	1.1%	1.1%	1.0%	1.0%
Sports & leisure equipment	0.3%	0.3%	0.3%	0.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 27: UK General Retailers Market (US\$ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	22.6	22.8	23.3	24.1	24.9	24.2	2.4%	1.4%
Books, news and stationery	5.5	5.6	5.7	5.9	6.1	6.0	2.8%	1.8%
Electricals and electronics	3.9	3.9	4.0	4.2	4.4	4.3	3.0%	2.0%
Food & Groceries	170.5	172.3	177.4	184.3	190.6	186.1	2.8%	1.8%
Furniture & floor coverings	3.2	3.2	3.2	3.3	3.4	3.3	1.5%	0.5%
Home & garden products	7.2	7.2	7.3	7.5	7.6	7.4	1.4%	0.3%
Music & video and entertainment software	2.3	2.3	2.4	2.5	2.5	2.5	2.4%	1.3%
Sports & leisure equipment	0.7	0.7	0.7	0.7	0.8	0.7	1.9%	0.9%
Overall	215.9	218.1	224.1	232.6	240.3	234.5	2.7%	1.7%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 28: UK General Retailers Market Forecast (US\$ bn), By Category Group, 2008-2013

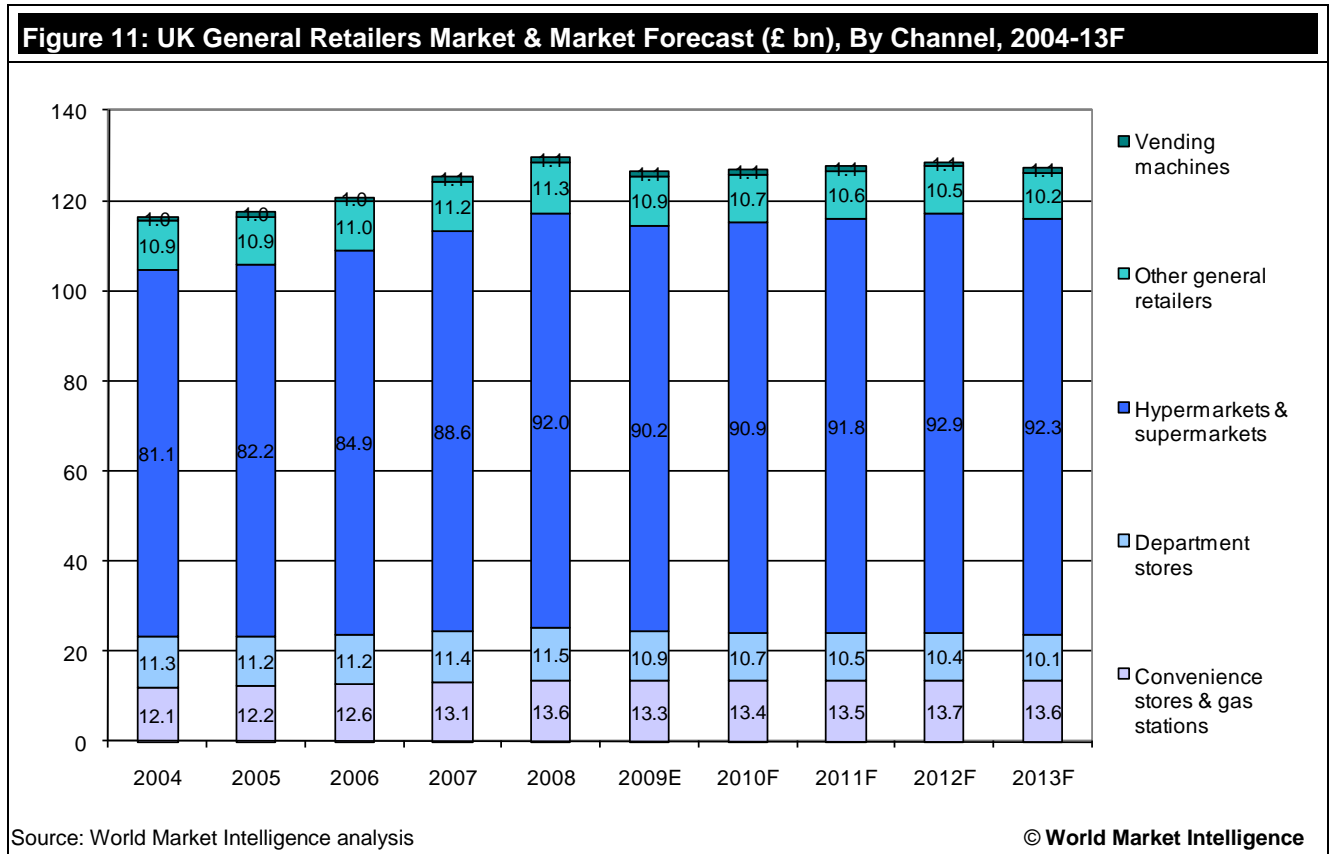
Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	24.9	24.2	24.3	24.4	24.5	24.3	-0.5%	0.0%
Books, news and stationery	6.1	6.0	6.0	6.1	6.1	6.1	-0.2%	0.3%
Electricals and electronics	4.4	4.3	4.3	4.4	4.4	4.4	0.1%	0.6%
Food & Groceries	190.6	186.1	187.0	188.2	189.8	188.1	-0.3%	0.3%
Furniture & floor coverings	3.4	3.3	3.2	3.2	3.2	3.2	-1.4%	-0.9%
Home & garden products	7.6	7.4	7.3	7.3	7.2	7.1	-1.5%	-1.0%
Music & video and entertainment software	2.5	2.5	2.5	2.5	2.5	2.5	-0.6%	-0.1%
Sports & leisure equipment	0.8	0.7	0.7	0.7	0.7	0.7	-1.0%	-0.5%
Overall	240.3	234.5	235.4	236.7	238.6	236.2	-0.3%	0.2%

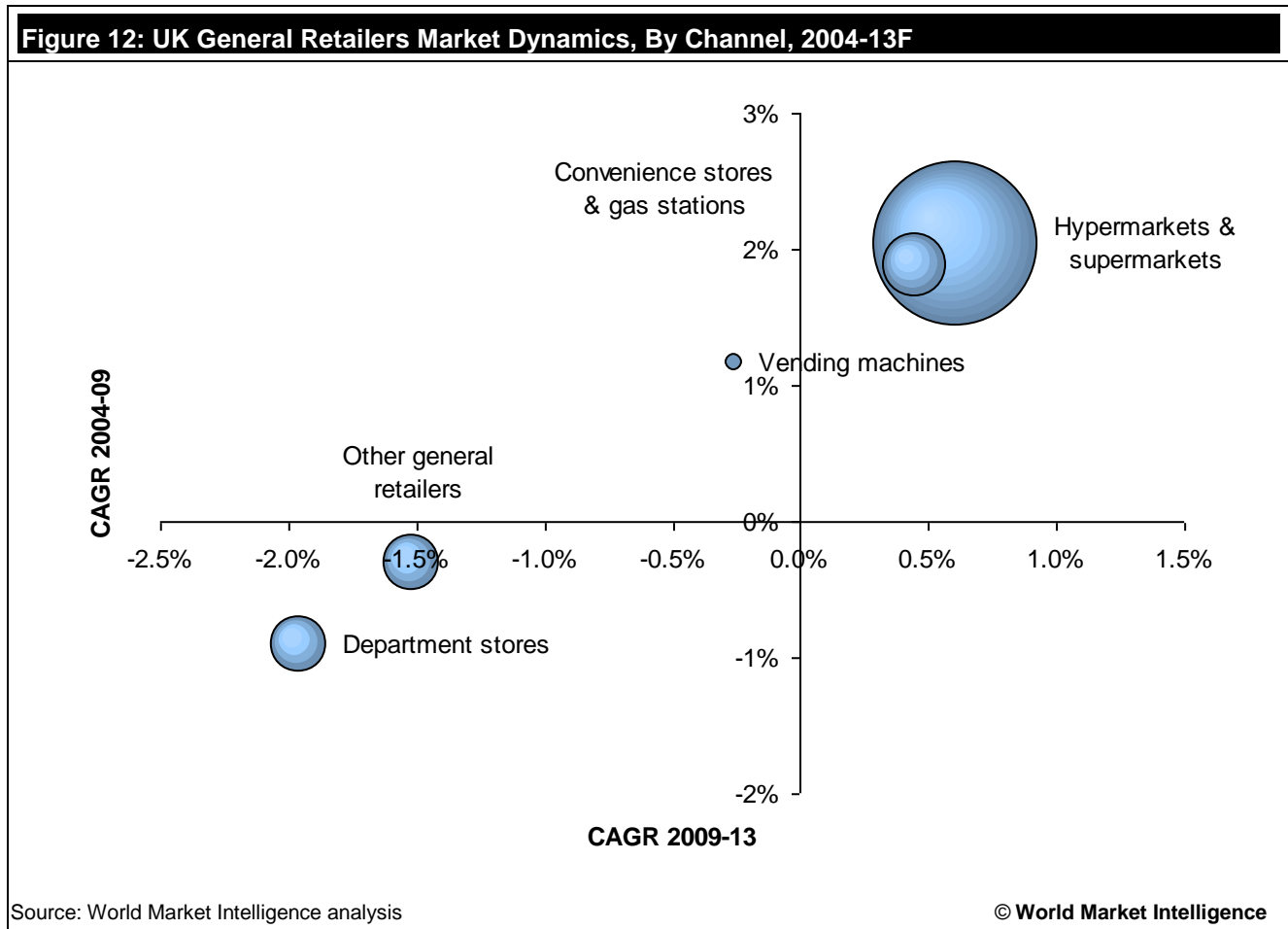
Source: World Market Intelligence analysis

© World Market Intelligence

6.3 General Retailers Data By Channel

The following charts analyze UK general retail split out by its constituent channels:





The following tables provide detailed data on UK general retail historic and forecast values, growth and share, by channel, presented in £ and in US\$ at constant 2008 exchange rates:

Table 29: UK General Retailers Market (£ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Convenience stores & gas stations	12.1	12.2	12.6	13.1	13.6	13.3	3.0%	2.0%
Department stores	11.3	11.2	11.2	11.4	11.5	10.9	0.3%	-0.7%
Hypermarkets & supermarkets	81.1	82.2	84.9	88.6	92.0	90.2	3.2%	2.1%
Other general retailers	10.9	10.9	11.0	11.2	11.3	10.9	1.0%	0.0%
Vending machines	1.0	1.0	1.0	1.1	1.1	1.1	2.3%	1.3%
Overall	116.4	117.5	120.8	125.4	129.5	126.4	2.7%	1.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 30: UK General Retailers Market Forecast (£ bn), By Channel, 2008-2013

Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Convenience stores & gas stations	13.6	13.3	13.4	13.5	13.7	13.6	-0.1%	0.4%
Department stores	11.5	10.9	10.7	10.5	10.4	10.1	-2.5%	-2.0%
Hypermarkets & supermarkets	92.0	90.2	90.9	91.8	92.9	92.3	0.1%	0.6%
Other general retailers	11.3	10.9	10.7	10.6	10.5	10.2	-2.0%	-1.5%
Vending machines	1.1	1.1	1.1	1.1	1.1	1.1	-0.8%	-0.3%
Overall	129.5	126.4	126.9	127.6	128.6	127.3	-0.2%	-0.3%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 31: UK General Retailers Market Segmentation (% value), By Channel, 2004-2013

Channel	2004	2008	2009E	2013F
Convenience stores & gas stations	10.4%	10.5%	10.6%	10.7%
Department stores	9.7%	8.9%	8.7%	7.9%
Hypermarkets & supermarkets	69.7%	71.0%	71.3%	72.5%
Other general retailers	9.4%	8.8%	8.6%	8.0%
Vending machines	0.9%	0.9%	0.9%	0.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 32: UK General Retailers Market (US\$ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Convenience stores & gas stations	22.4	22.7	23.4	24.4	25.3	24.7	3.0%	2.0%
Department stores	21.0	20.8	20.8	21.1	21.3	20.3	0.3%	-0.7%
Hypermarkets & supermarkets	150.5	152.5	157.5	164.3	170.6	167.3	3.2%	2.1%
Other general retailers	20.2	20.2	20.5	20.8	21.0	20.2	1.0%	0.0%
Vending machines	1.9	1.9	1.9	2.0	2.1	2.0	2.3%	1.3%
Overall	215.9	218.1	224.1	232.6	240.3	234.5	2.7%	1.7%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 33: UK General Retailers Market Forecast (US\$ bn), By Channel, 2008-2013

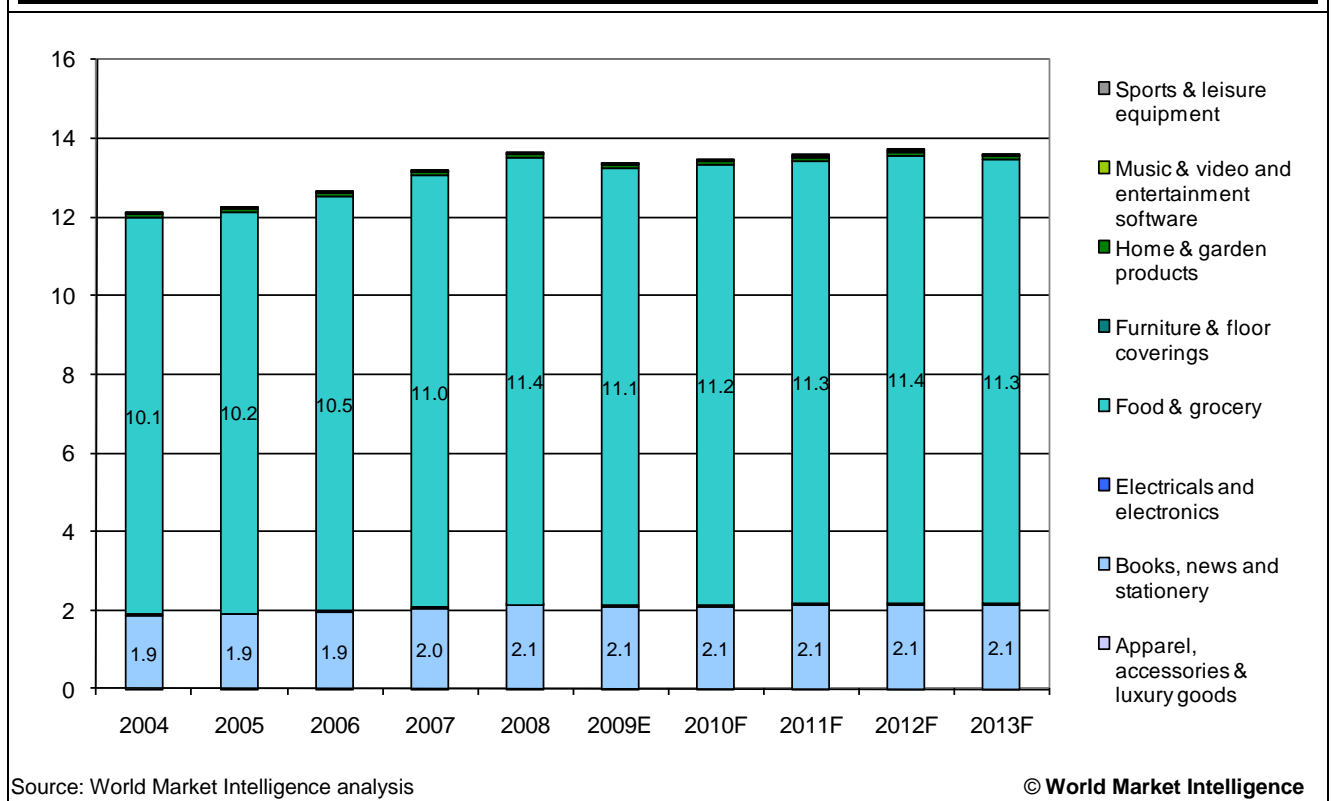
Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Convenience stores & gas stations	25.3	24.7	24.9	25.1	25.4	25.2	-0.1%	0.4%
Department stores	21.3	20.3	19.9	19.6	19.3	18.7	-2.5%	-2.0%
Hypermarkets & supermarkets	170.6	167.3	168.7	170.3	172.4	171.3	0.1%	0.6%
Other general retailers	21.0	20.2	19.9	19.7	19.5	19.0	-2.0%	-1.5%
Vending machines	2.1	2.0	2.0	2.0	2.0	2.0	-0.8%	-0.3%
Overall	240.3	234.5	235.4	236.7	238.6	236.2	-0.2%	-0.3%

Source: World Market Intelligence analysis

© World Market Intelligence

6.4 Convenience Stores & Gas Stations

Figure 13: UK Convenience Stores & Gas Stations Sales & Forecast (£ bn), By Category Group, 2004-13F



Source: World Market Intelligence analysis

© World Market Intelligence

Table 34: UK Convenience Stores & Gas Stations Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	1.9	1.9	1.9	2.0	2.1	2.1	3.3%	2.3%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	3.2%	2.2%
Food & Groceries	10.1	10.2	10.5	11.0	11.4	11.1	3.0%	1.9%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	3.4%	2.3%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	4.4%	3.3%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	3.8%	2.8%
Overall	12.1	12.2	12.6	13.1	13.6	13.3	3.0%	2.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 35: UK Convenience Stores & Gas Stations Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	2.1	2.1	2.1	2.1	2.1	2.1	0.2%	0.7%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	0.1%	0.6%
Food & Groceries	11.4	11.1	11.2	11.3	11.4	11.3	-0.1%	0.4%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	0.3%	0.8%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	1.3%	1.8%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.7%	1.2%
Overall	13.6	13.3	13.4	13.5	13.7	13.6	-0.1%	0.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 36: UK Convenience Stores & Gas Stations Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	15.3%	15.5%	15.6%	15.7%
Electricals and electronics	0.2%	0.2%	0.2%	0.2%
Food & Groceries	83.7%	83.5%	83.4%	83.3%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.7%	0.7%	0.7%	0.7%
Music & video & entertainment software	0.1%	0.1%	0.1%	0.1%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

6.5 Department Stores

Figure 14: UK Department Stores Sales & Forecast (£ bn), By Category Group, 2004-13F

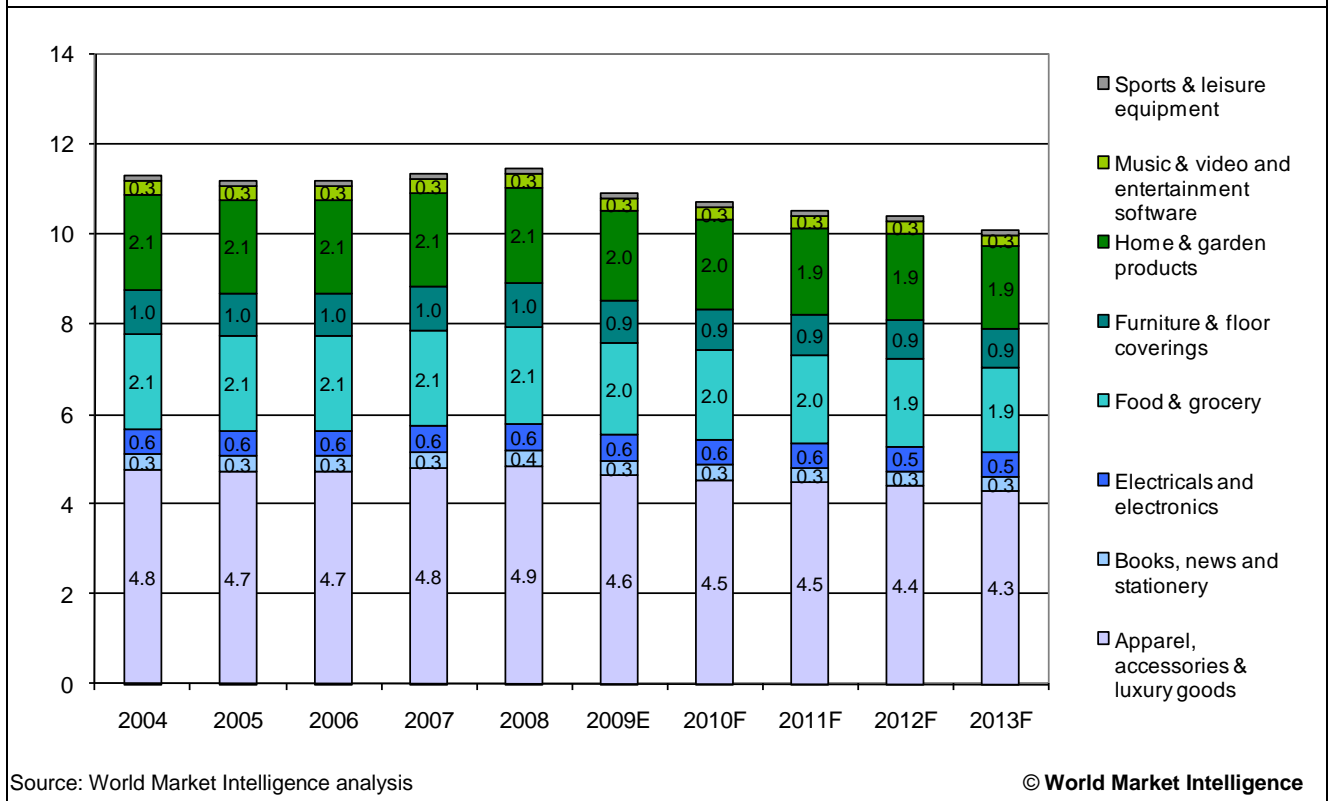


Table 37: UK Department Stores Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	4.8	4.7	4.7	4.8	4.9	4.6	0.5%	-0.5%
Books, news and stationery	0.3	0.3	0.3	0.3	0.4	0.3	0.2%	-0.9%
Electricals and electronics	0.6	0.6	0.6	0.6	0.6	0.6	0.7%	-0.3%
Food & Groceries	2.1	2.1	2.1	2.1	2.1	2.0	0.3%	-0.7%
Furniture & floor coverings	1.0	1.0	1.0	1.0	1.0	0.9	0.1%	-0.9%
Home & garden products	2.1	2.1	2.1	2.1	2.1	2.0	0.2%	-0.9%
Music & video and entertainment software	0.3	0.3	0.3	0.3	0.3	0.3	0.0%	-1.0%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.0%	-1.0%
Overall	11.3	11.2	11.2	11.4	11.5	10.9	0.3%	-0.7%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 38: UK Department Stores Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	4.9	4.6	4.5	4.5	4.4	4.3	-2.4%	-1.8%
Books, news and stationery	0.4	0.3	0.3	0.3	0.3	0.3	-2.7%	-2.2%
Electricals and electronics	0.6	0.6	0.6	0.6	0.5	0.5	-2.2%	-1.6%
Food & Groceries	2.1	2.0	2.0	2.0	1.9	1.9	-2.6%	-2.0%
Furniture & floor coverings	1.0	0.9	0.9	0.9	0.9	0.9	-2.7%	-2.2%
Home & garden products	2.1	2.0	2.0	1.9	1.9	1.9	-2.7%	-2.1%
Music & video and entertainment software	0.3	0.3	0.3	0.3	0.3	0.3	-2.8%	-2.3%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	-2.8%	-2.3%
Overall	11.5	10.9	10.7	10.5	10.4	10.1	-2.5%	-2.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 39: UK Department Stores Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	42.0%	42.3%	42.4%	42.6%
Books, news and stationery	3.1%	3.1%	3.0%	3.0%
Electricals and electronics	5.1%	5.2%	5.2%	5.3%
Food & Groceries	18.7%	18.7%	18.6%	18.6%
Furniture & floor coverings	8.7%	8.6%	8.6%	8.5%
Home & garden products	18.6%	18.5%	18.4%	18.3%
Music & video & entertainment software	2.6%	2.6%	2.6%	2.5%
Sports & leisure equipment	1.2%	1.2%	1.2%	1.2%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

6.6 Hypermarkets & Supermarkets

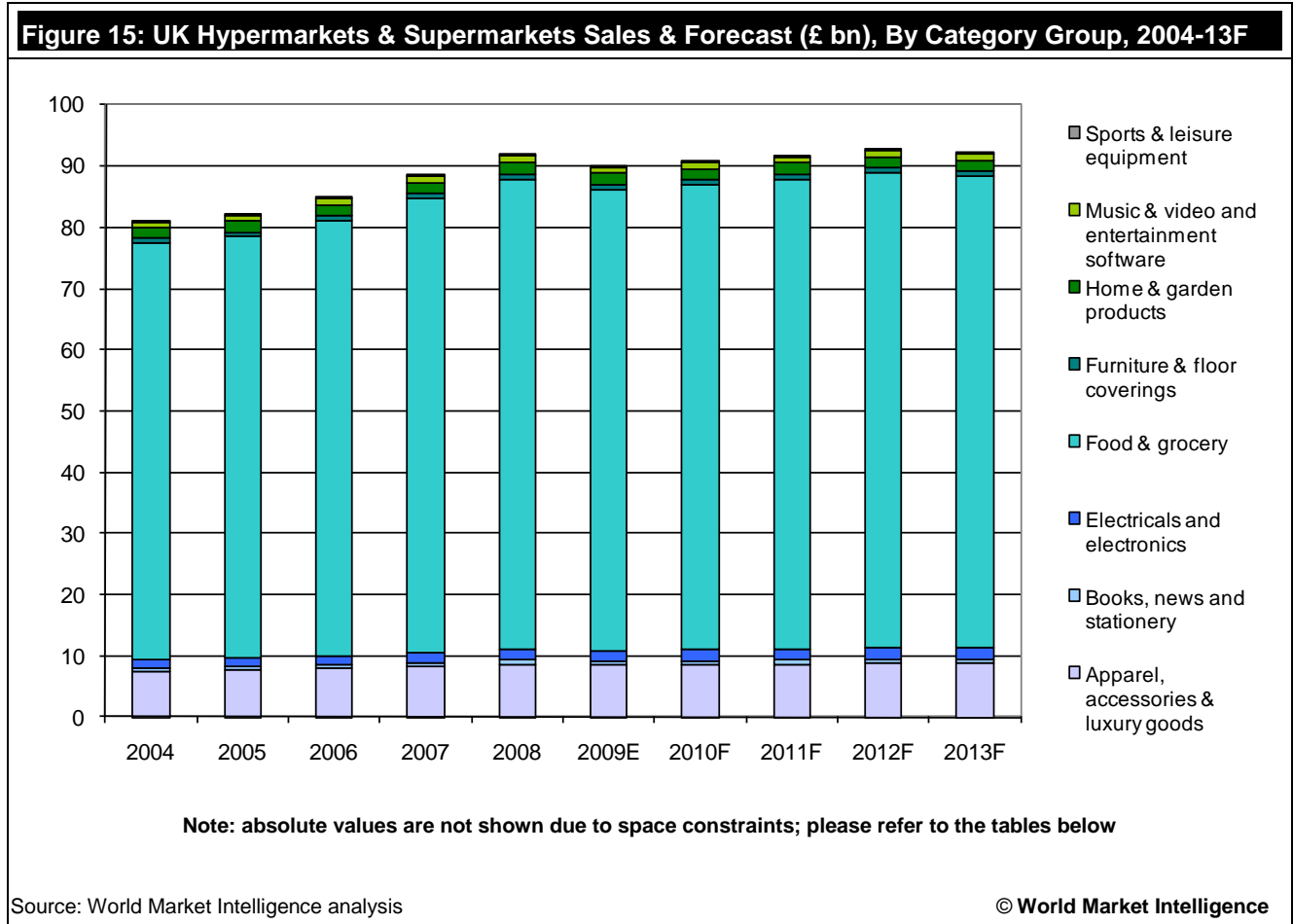


Table 40: UK Hypermarkets & Supermarkets Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	7.4	7.6	7.9	8.2	8.6	8.4	3.6%	2.5%
Books, news and stationery	0.6	0.6	0.6	0.7	0.7	0.7	3.2%	2.1%
Electricals and electronics	1.5	1.5	1.6	1.7	1.7	1.7	3.9%	2.8%
Food & Groceries	67.9	68.8	71.1	74.1	76.9	75.4	3.1%	2.1%
Furniture & floor coverings	0.7	0.7	0.8	0.8	0.8	0.8	3.2%	2.1%
Home & garden products	1.7	1.7	1.8	1.9	1.9	1.9	2.7%	1.6%
Music & video and entertainment software	0.9	0.9	1.0	1.0	1.1	1.0	3.1%	2.0%
Sports & leisure equipment	0.2	0.2	0.3	0.3	0.3	0.3	2.9%	1.9%
Overall	81.1	82.2	84.9	88.6	92.0	90.2	3.2%	2.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 41: UK Hypermarkets & Supermarkets Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	8.6	8.4	8.5	8.7	8.8	8.8	0.5%	1.0%
Books, news and stationery	0.7	0.7	0.7	0.7	0.7	0.7	0.1%	0.6%
Electricals and electronics	1.7	1.7	1.7	1.8	1.8	1.8	0.8%	1.3%
Food & Groceries	76.9	75.4	76.0	76.7	77.6	77.0	0.0%	0.6%
Furniture & floor coverings	0.8	0.8	0.8	0.8	0.8	0.8	0.1%	0.6%
Home & garden products	1.9	1.9	1.9	1.9	1.9	1.9	-0.4%	0.2%
Music & video and entertainment software	1.1	1.0	1.0	1.1	1.1	1.1	0.0%	0.5%
Sports & leisure equipment	0.3	0.3	0.3	0.3	0.3	0.3	-0.2%	0.3%
Overall	92.0	90.2	90.9	91.8	92.9	92.3	0.1%	0.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 42: UK Hypermarkets & Supermarkets Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	9.2%	9.3%	9.4%	9.5%
Books, news and stationery	0.7%	0.7%	0.7%	0.7%
Electricals and electronics	1.8%	1.9%	1.9%	1.9%
Food & Groceries	83.8%	83.6%	83.6%	83.4%
Furniture & floor coverings	0.9%	0.9%	0.9%	0.9%
Home & garden products	2.1%	2.1%	2.1%	2.0%
Music & video & entertainment software	1.2%	1.2%	1.1%	1.1%
Sports & leisure equipment	0.3%	0.3%	0.3%	0.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

6.7 Vending Machines

Note: vending machine sales in the UK are only significant within the food & grocery category.

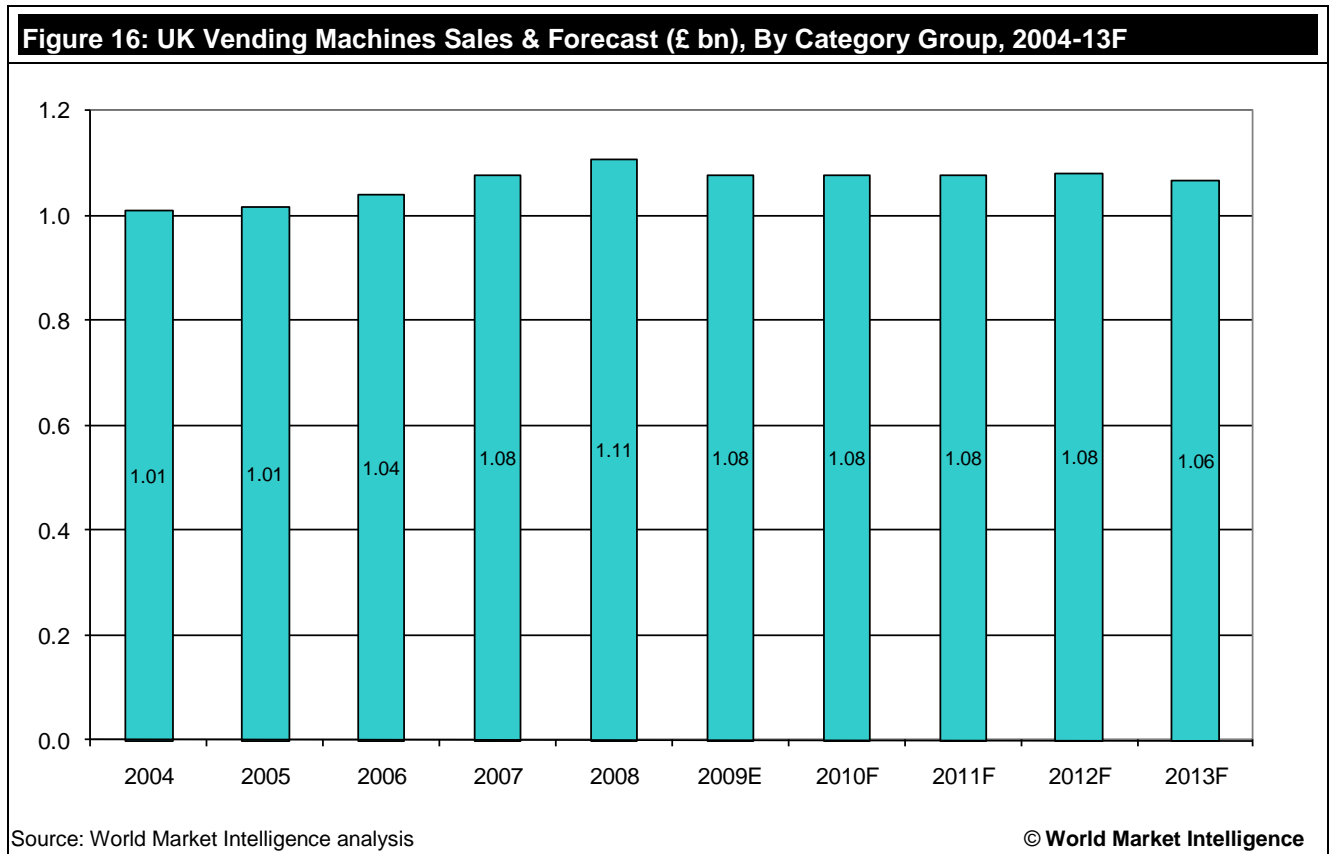


Table 43: UK Vending Machines Sales (£ bn), By Category Group, 2004-09E

	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Overall	1.0	1.0	1.0	1.1	1.1	1.1	2.3%	1.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 44: UK Vending Machines Sales Forecast (£ bn), By Category Group, 2008-2013

	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Overall	1.0	1.0	1.0	1.1	1.1	1.1	2.3%	1.3%

Source: World Market Intelligence analysis © World Market Intelligence

6.8 Other General Retailers

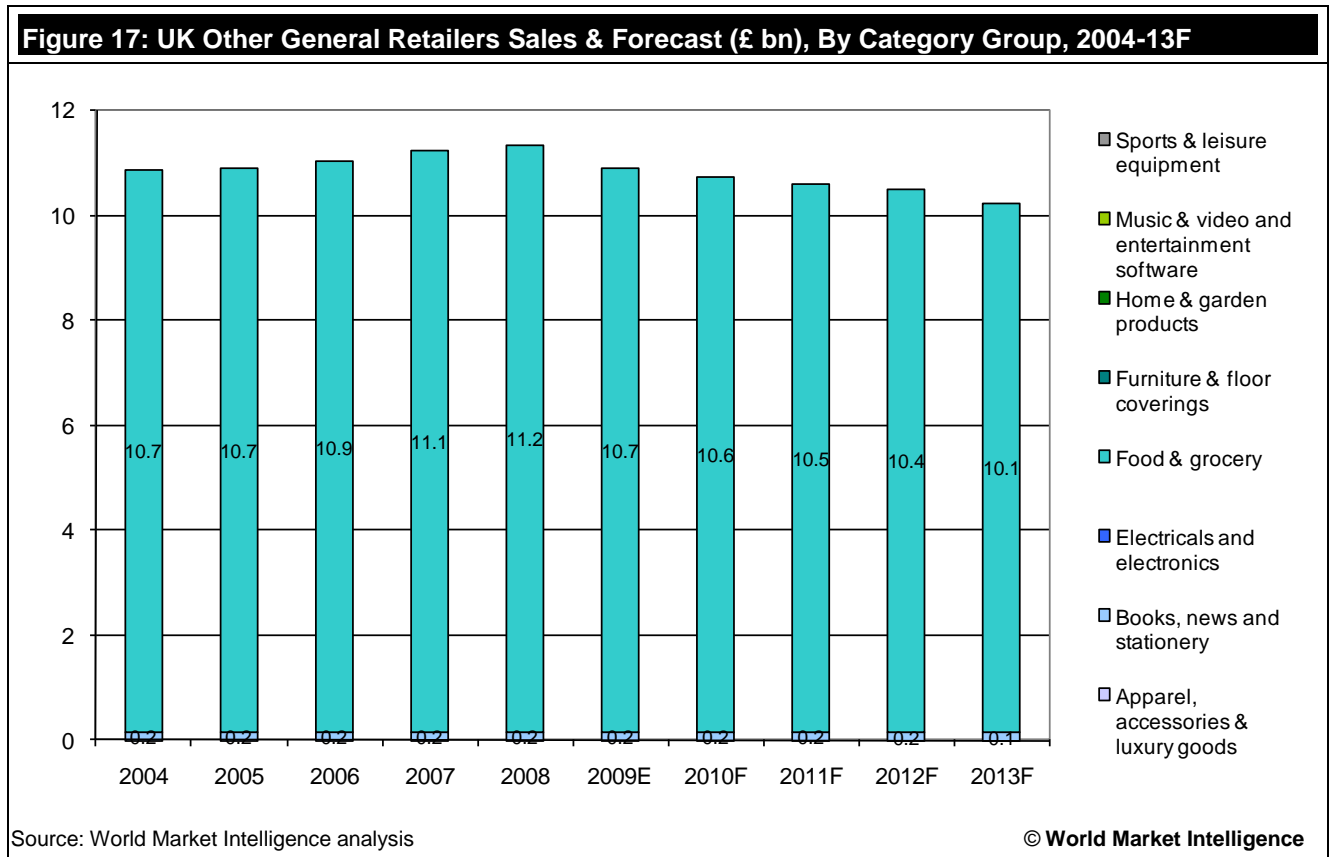


Table 45: UK Other General Retailers Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.2	0.2	0.2	0.2	0.2	0.2	1.1%	0.1%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	10.7	10.7	10.9	11.1	11.2	10.7	1.0%	0.0%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	10.9	10.9	11.0	11.2	11.3	10.9	1.0%	0.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 46: UK Other General Retailers Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.2	0.2	0.2	0.2	0.2	0.1	-1.9%	-1.4%
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	11.2	10.7	10.6	10.5	10.4	10.1	-2.0%	-1.5%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	11.3	10.9	10.7	10.6	10.5	10.2	-2.0%	-1.5%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 47: UK Other General Retailers Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	1.5%	1.5%	1.5%	1.5%
Electricals and electronics	0.0%	0.0%	0.0%	0.0%
Food & Groceries	98.5%	98.5%	98.5%	98.5%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.0%	0.0%	0.0%	0.0%
Music & video & entertainment software	0.0%	0.0%	0.0%	0.0%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

7 Channel Analysis: Specialist Retailers

This chapter considers the UK specialist retailer channel group. Data is presented breaking down the group by the channels that it is made of, and the category groups that are sold through the channel.

7.1 Specialist Retailers Channel Overview

The specialist retailers channel is made out of clothing, footwear and luxury goods specialists; drug stores & health & beauty stores; duty-free retailers; electricals & electronics specialists; food and drinks specialists; home furniture & housewares retailers; home improvement & gardening supplies retailers; music, video, book, stationery & entertainment software specialists; and other specialist retailers.

Clothing, footwear, accessories & luxury goods specialists include retailers where clothing, footwear, accessories and/or luxury goods are the main footfall drivers and account for the majority of sales. Drug stores & health & beauty stores cover beauty/cosmetics specialists, drug stores, pharmacists, health stores and opticians. Duty free retailers covers sales through airside retailers in airports or on board an aircraft or ferry, but excludes tax free purchases by tourists at conventional stores.

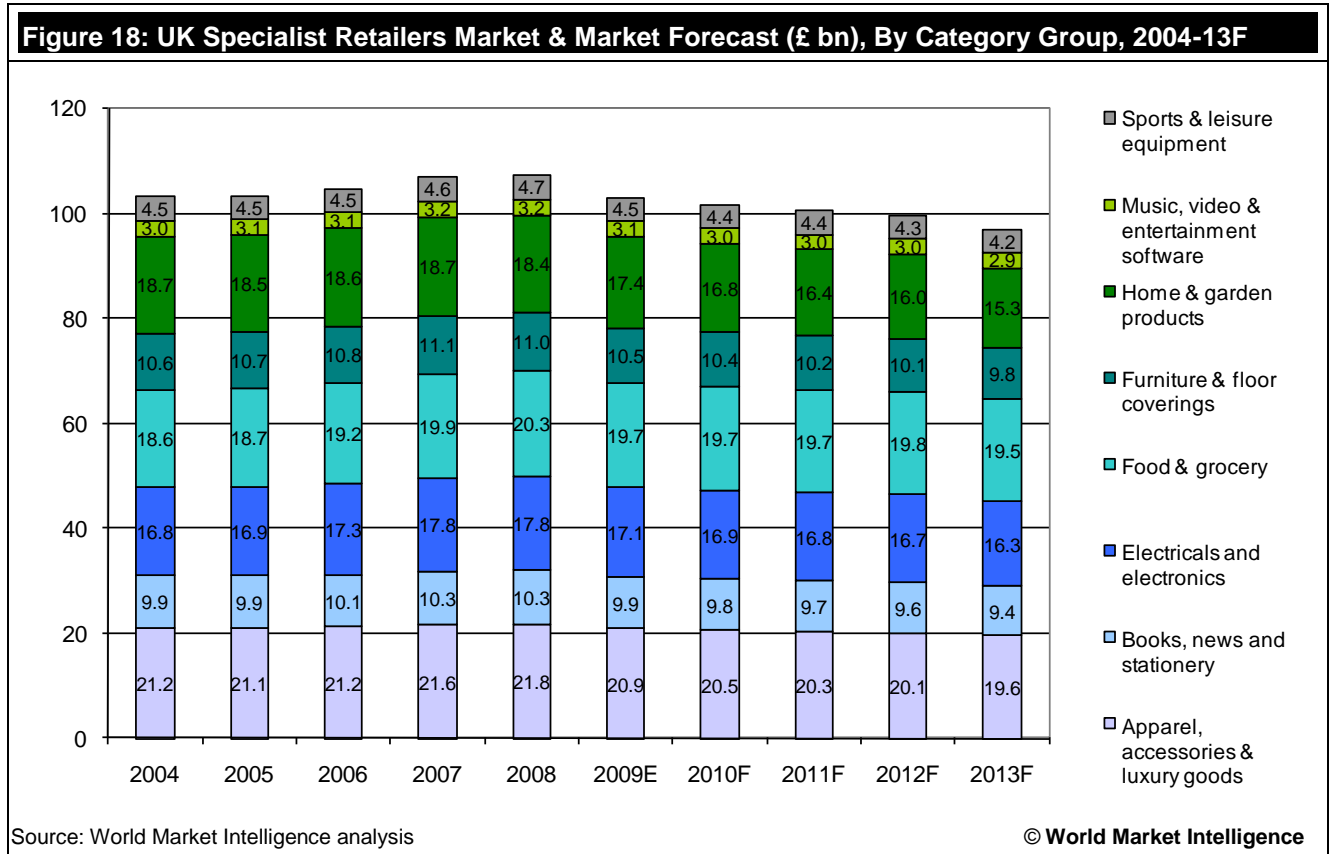
Electricals & electronics specialists are retailers where electrical and/or electronic goods are the main footfall drivers and account for the majority of sales. Food & drinks specialists includes bakers, butchers, delicatessens, drinks specialists, fishmongers, greengrocers, and single category stores (e.g. stores selling only cheese, or only olives, or only honey)

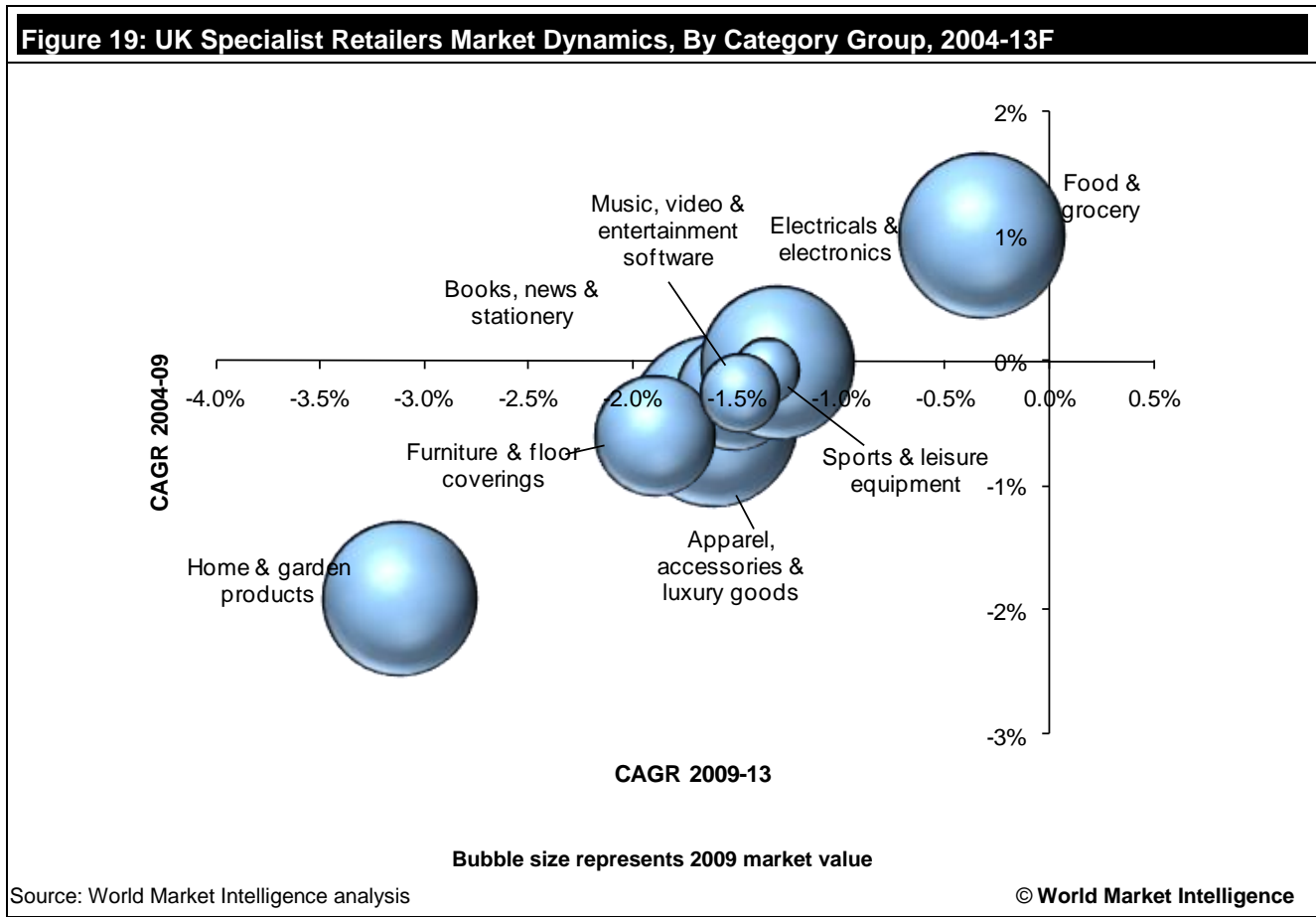
Home furniture & housewares retailers are where floor coverings, furniture and/or housewares are the main footfall drivers and account for the majority of sales. Home improvement retailers specialize in the sale of home improvement tools and materials, primarily aimed at consumer rather than trade needs (e.g. B&Q, Homebase). Gardening supplies retailers specialize in the sale of plants and related tools and products

Music, video, book, stationery, & entertainment software specialists are retailers where books, entertainment software, music, stationery and/or video products are the main footfall drivers and account for the majority of revenues. Other specialist retailers includes flower stores, gift stores, jewelers, pet stores, and other stores that focus on one specific product or category (e.g. sunglasses stores)

7.2 Specialist Retailers Data By Category Group

The following charts analyze UK specialist retail split out by category group:





The following tables provide detailed data on UK specialist retail historic and forecast values, growth and share, by category group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 48: UK Specialist Retailers Market (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	21.2	21.1	21.2	21.6	21.8	20.9	0.8%	-0.2%
Books, news and stationery	9.9	9.9	10.1	10.3	10.3	9.9	1.1%	0.1%
Electricals and electronics	16.8	16.9	17.3	17.8	17.8	17.1	1.4%	0.4%
Food & Groceries	18.6	18.7	19.2	19.9	20.3	19.7	2.2%	1.2%
Furniture & floor coverings	10.6	10.7	10.8	11.1	11.0	10.5	0.8%	-0.2%
Home & garden products	18.7	18.5	18.6	18.7	18.4	17.4	-0.5%	-1.5%
Music & video and entertainment software	3.0	3.1	3.1	3.2	3.2	3.1	1.4%	0.3%
Sports & leisure equipment	4.5	4.5	4.5	4.6	4.7	4.5	1.1%	0.0%
Overall	103.3	103.4	104.9	107.1	107.5	103.2	1.0%	0.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 49: UK Specialist Retailers Market Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	21.8	20.9	20.5	20.3	20.1	19.6	-2.1%	-1.6%
Books, news and stationery	10.3	9.9	9.8	9.7	9.6	9.4	-2.0%	-1.5%
Electricals and electronics	17.8	17.1	16.9	16.8	16.7	16.3	-1.8%	-1.3%
Food & Groceries	20.3	19.7	19.7	19.7	19.8	19.5	-0.8%	-0.3%
Furniture & floor coverings	11.0	10.5	10.4	10.2	10.1	9.8	-2.4%	-1.9%
Home & garden products	18.4	17.4	16.8	16.4	16.0	15.3	-3.6%	-3.1%
Music & video and entertainment software	3.2	3.1	3.0	3.0	3.0	2.9	-1.8%	-1.4%
Sports & leisure equipment	4.7	4.5	4.4	4.4	4.3	4.2	-2.0%	-1.5%
Overall	107.5	103.2	101.6	100.5	99.6	96.9	-2.1%	-1.6%

Source: World Market Intelligence analysis © World Market Intelligence

Table 50: UK Specialist Retailers Market Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	20.5%	20.3%	20.3%	20.2%
Books, news and stationery	9.6%	9.6%	9.6%	9.7%
Electricals and electronics	16.3%	16.5%	16.6%	16.8%
Food & Groceries	18.0%	18.9%	19.1%	20.1%
Furniture & floor coverings	10.3%	10.2%	10.2%	10.1%
Home & garden products	18.1%	17.1%	16.8%	15.8%
Music & video & entertainment software	2.9%	3.0%	3.0%	3.0%
Sports & leisure equipment	4.3%	4.4%	4.4%	4.4%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 51: UK Specialist Retailers Market (US\$ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	39.2	39.1	39.3	40.0	40.5	38.8	0.8%	-0.2%
Books, news and stationery	18.4	18.4	18.7	19.1	19.2	18.4	1.1%	0.1%
Electricals and electronics	31.2	31.4	32.1	33.0	33.0	31.8	1.4%	0.4%
Food & Groceries	34.5	34.8	35.6	36.8	37.7	36.6	2.2%	1.2%
Furniture & floor coverings	19.7	19.8	20.1	20.6	20.4	19.6	0.8%	-0.2%
Home & garden products	34.7	34.4	34.5	34.7	34.1	32.2	-0.5%	-1.5%
Music & video and entertainment software	5.6	5.7	5.8	5.9	5.9	5.7	1.4%	0.3%
Sports & leisure equipment	8.3	8.3	8.4	8.6	8.7	8.3	1.1%	0.0%
Overall	191.6	191.9	194.5	198.7	199.4	191.4	1.0%	0.0%

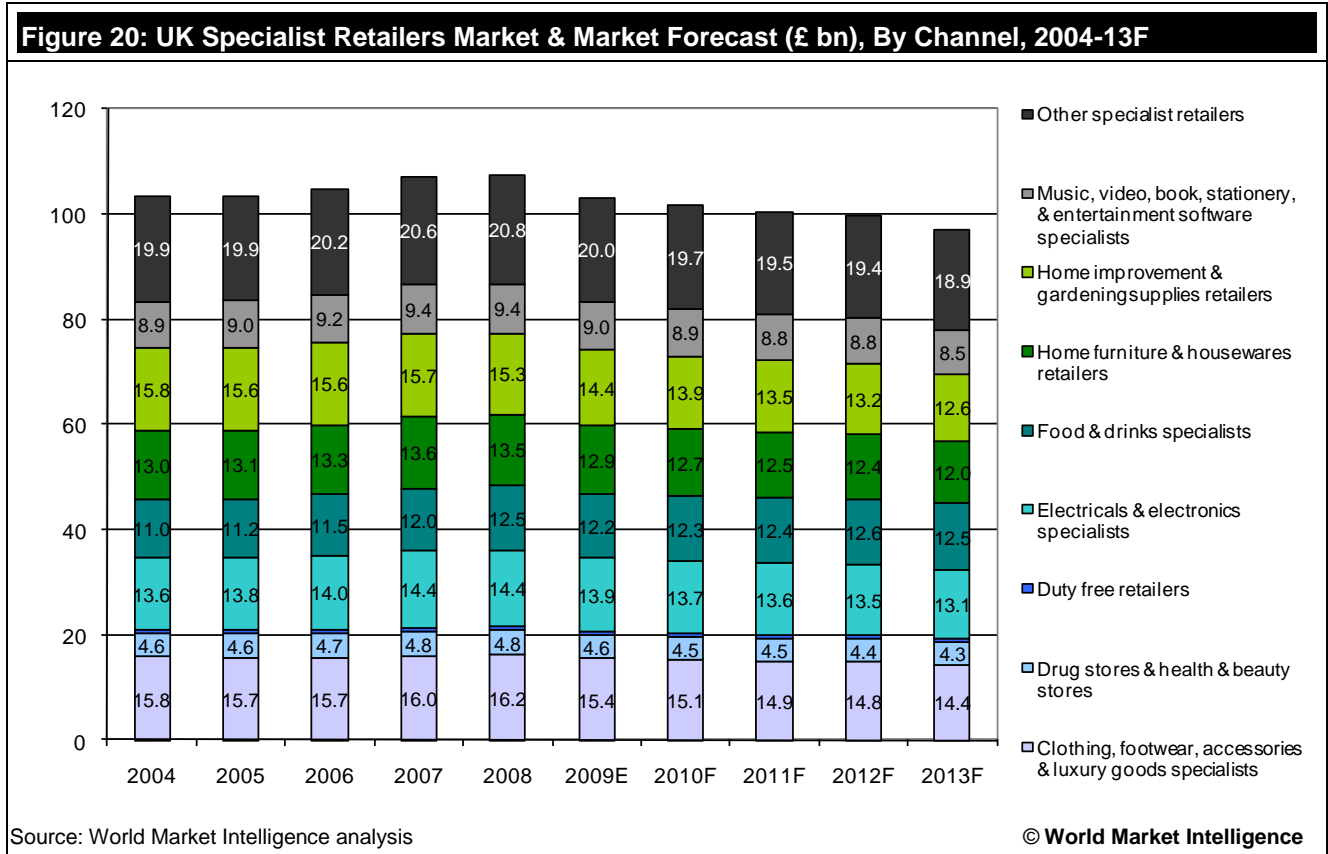
Source: World Market Intelligence analysis © World Market Intelligence

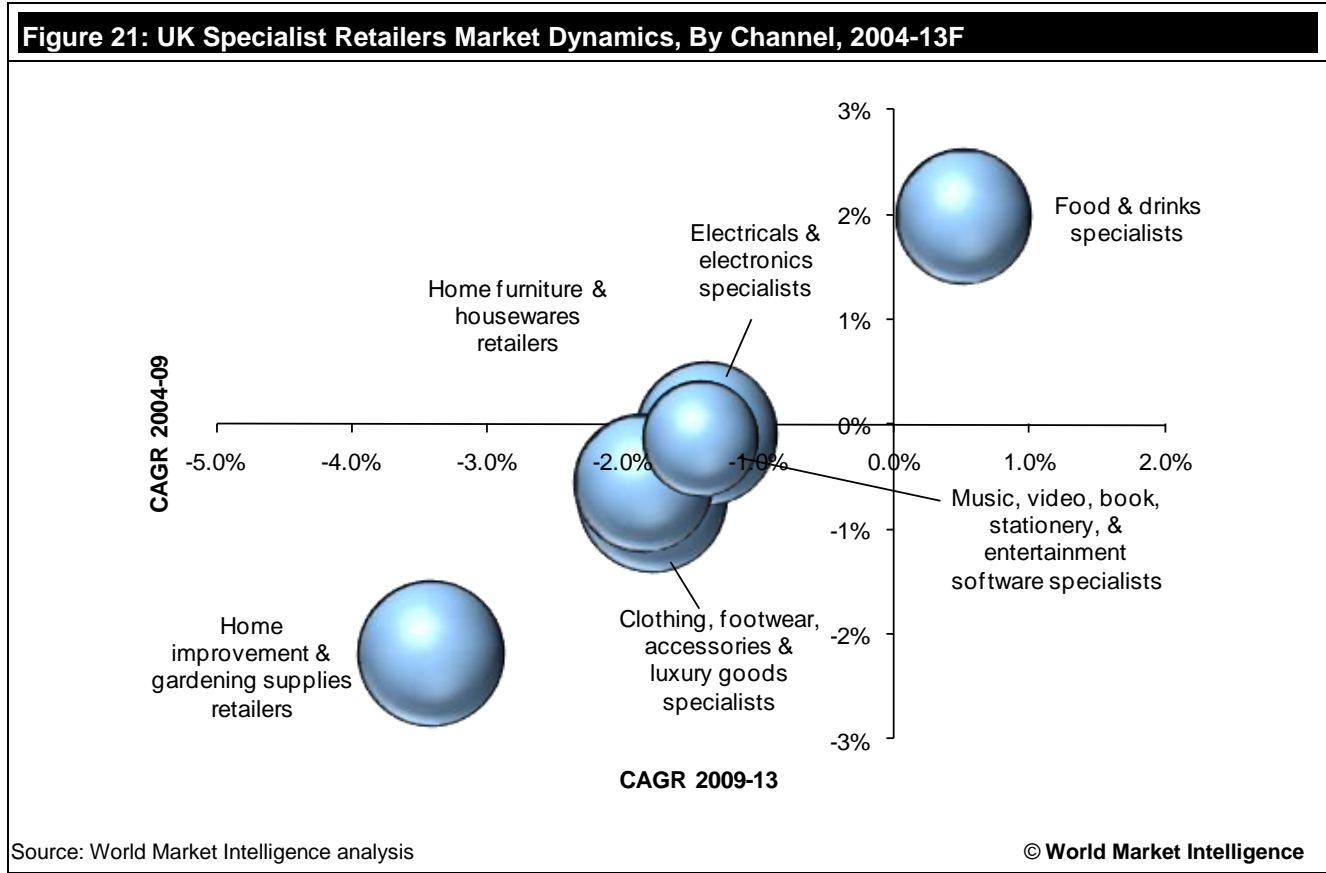
Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	40.5	38.8	38.1	37.7	37.3	36.3	-2.1%	-1.6%
Books, news and stationery	19.2	18.4	18.2	18.0	17.8	17.4	-2.0%	-1.5%
Electricals and electronics	33.0	31.8	31.4	31.2	30.9	30.2	-1.8%	-1.3%
Food & Groceries	37.7	36.6	36.5	36.6	36.7	36.1	-0.8%	-0.3%
Furniture & floor coverings	20.4	19.6	19.2	18.9	18.7	18.1	-2.4%	-1.9%
Home & garden products	34.1	32.2	31.2	30.4	29.7	28.4	-3.6%	-3.1%
Music & video and entertainment software	5.9	5.7	5.6	5.6	5.5	5.4	-1.8%	-1.4%
Sports & leisure equipment	8.7	8.3	8.2	8.1	8.1	7.9	-2.0%	-1.5%
Overall	199.4	191.4	188.5	186.5	184.7	179.7	-2.1%	-1.6%

Source: World Market Intelligence analysis © World Market Intelligence

7.3 Specialist Retailers Data By Channel

The following charts analyze UK specialist retail split out by its constituent channels:





The following tables provide detailed data on UK specialist retail historic and forecast values, growth and share, by channel, presented in £ and in US\$ at constant 2008 exchange rates:

Table 53: UK Specialist Retailers Market (£ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Clothing, footwear, accessories & luxury goods specialists	15.8	15.7	15.7	16.0	16.2	15.4	0.5%	-0.5%
Drug stores & health & beauty stores	4.6	4.6	4.7	4.8	4.8	4.6	1.2%	0.2%
Duty free retailers	0.7	0.7	0.7	0.7	0.7	0.7	0.9%	-0.1%
Electricals & electronics specialists	13.6	13.8	14.0	14.4	14.4	13.9	1.4%	0.3%
Food & drinks specialists	11.0	11.2	11.5	12.0	12.5	12.2	3.1%	2.1%
Home furniture & housewares retailers	13.0	13.1	13.3	13.6	13.5	12.9	0.9%	-0.1%
Home improvement & gardening supplies	15.8	15.6	15.6	15.7	15.3	14.4	-0.8%	-1.8%
Music, video, book, stationery, & entertainment software specialists	8.9	9.0	9.2	9.4	9.4	9.0	1.3%	0.3%
Other specialist retailers	19.9	19.9	20.2	20.6	20.8	20.0	1.1%	0.1%
Overall	103.3	103.4	104.9	107.1	107.5	103.2	1.0%	0.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 54: UK Specialist Retailers Market Forecast (£ bn), By Channel, 2008-2013

Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Clothing, footwear, accessories & luxury goods specialists	16.2	15.4	15.1	14.9	14.8	14.4	-2.3%	-1.8%
Drug stores & health & beauty stores	4.8	4.6	4.5	4.5	4.4	4.3	-2.0%	-1.6%
Duty free retailers	0.7	0.7	0.7	0.6	0.6	0.6	-2.1%	-1.6%
Electricals & electronics specialists	14.4	13.9	13.7	13.6	13.5	13.1	-1.8%	-1.4%
Food & drinks specialists	12.5	12.2	12.3	12.4	12.6	12.5	0.0%	0.5%
Home furniture & housewares retailers	13.5	12.9	12.7	12.5	12.4	12.0	-2.3%	-1.8%
Home improvement & gardening supplies retailers	15.3	14.4	13.9	13.5	13.2	12.6	-3.9%	-3.4%
Music, video, book, stationery, & entertainment software specialists	9.4	9.0	8.9	8.8	8.8	8.5	-1.9%	-1.4%
Other specialist retailers	20.8	20.0	19.7	19.5	19.4	18.9	-1.9%	-1.4%
Overall	107.5	103.2	101.6	100.5	99.6	96.9	-1.9%	-2.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 55: UK Specialist Retailers Market Segmentation (% value), By Channel, 2004-2013

Channel	2004	2008	2009E	2013F
Clothing, footwear, accessories & luxury goods specialists	15.3%	15.0%	15.0%	14.8%
Drug stores & health & beauty stores	4.4%	4.4%	4.5%	4.5%
Duty free retailers	0.7%	0.6%	0.6%	0.6%
Electricals & electronics specialists	13.2%	13.4%	13.4%	13.5%
Food & drinks specialists	10.7%	11.6%	11.9%	12.9%
Home furniture & housewares retailers	12.6%	12.5%	12.5%	12.4%
Home improvement & gardening supplies retailers	15.3%	14.2%	14.0%	13.0%
Music, video, book, stationery, & entertainment software specialists	8.6%	8.7%	8.7%	8.8%
Other specialist retailers	19.3%	19.4%	19.4%	19.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 56: UK Specialist Retailers Market (US\$ bn), By Channel, 2004-09E

Channel	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Clothing, footwear, accessories & luxury goods specialists	29.3	29.1	29.1	29.6	30.0	28.6	0.5%	-0.5%
Drug stores & health & beauty stores	8.5	8.5	8.7	8.9	8.9	8.5	1.2%	0.2%
Duty free retailers	1.2	1.2	1.3	1.3	1.3	1.2	0.9%	-0.1%
Electricals & electronics specialists	25.3	25.5	26.1	26.8	26.7	25.7	1.4%	0.3%
Food & drinks specialists	20.5	20.7	21.4	22.3	23.2	22.7	3.1%	2.1%
Home furniture & housewares retailers	24.1	24.2	24.6	25.2	25.0	24.0	0.9%	-0.1%
Home improvement & gardening supplies retailers	29.3	28.9	28.9	29.0	28.4	26.8	-0.8%	-1.8%
Music, video, book, stationery, & entertainment software specialists	16.5	16.6	17.0	17.4	17.4	16.7	1.3%	0.3%
Other specialist retailers	36.9	37.0	37.5	38.2	38.6	37.1	1.1%	0.1%
Overall	191.6	191.9	194.5	198.7	199.4	191.4	1.0%	0.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 57: UK Specialist Retailers Market Forecast (US\$ bn), By Channel, 2008-2013

Channel	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Clothing, footwear, accessories & luxury goods specialists	30.0	28.6	28.1	27.7	27.4	26.7	-2.3%	-1.8%
Drug stores & health & beauty stores	8.9	8.5	8.4	8.3	8.2	8.0	-2.0%	-1.6%
Duty free retailers	1.3	1.2	1.2	1.2	1.2	1.2	-2.1%	-1.6%
Electricals & electronics specialists	26.7	25.7	25.4	25.2	25.0	24.3	-1.8%	-1.4%
Food & drinks specialists	23.2	22.7	22.9	23.1	23.3	23.2	0.0%	0.5%
Home furniture & housewares retailers	25.0	24.0	23.6	23.2	22.9	22.2	-2.3%	-1.8%
Home improvement & gardening supplies retailers	28.4	26.8	25.9	25.1	24.4	23.3	-3.9%	-3.4%
Music, video, book, stationery, & entertainment software specialists	17.4	16.7	16.5	16.4	16.2	15.8	-1.9%	-1.4%
Other specialist retailers	38.6	37.1	36.6	36.2	35.9	35.0	-1.9%	-1.4%
Overall	199.4	191.4	188.5	186.5	184.7	179.7	-1.9%	-2.1%

Source: World Market Intelligence analysis

© World Market Intelligence

7.4 Clothing, Footwear, Accessories & Luxury Goods Specialists

Figure 22: UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F

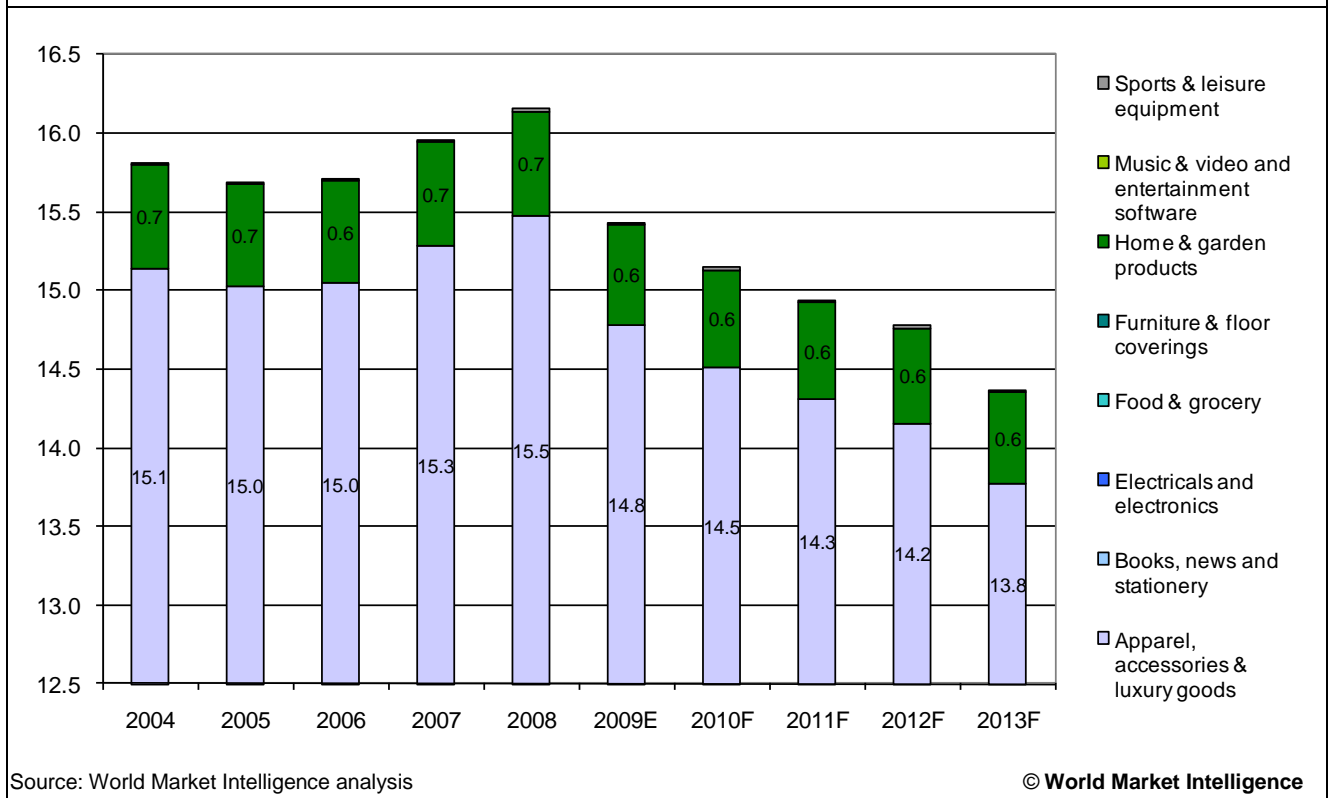


Table 58: UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	15.1	15.0	15.0	15.3	15.5	14.8	0.6%	-0.5%
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.7	0.7	0.6	0.7	0.7	0.6	0.3%	-0.7%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.8%	-0.3%
Overall	15.8	15.7	15.7	16.0	16.2	15.4	0.5%	-0.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 59: UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	15.5	14.8	14.5	14.3	14.2	13.8	-2.3%	-1.8%
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.7	0.6	0.6	0.6	0.6	0.6	-2.5%	-2.0%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-2.1%	-1.6%
Overall	16.2	15.4	15.1	14.9	14.8	14.4	-2.3%	-1.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 60: UK Clothing, Footwear, Accessories & Luxury Goods Specialists Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	95.7%	95.8%	95.8%	95.8%
Books, news and stationery	0.0%	0.0%	0.0%	0.0%
Electricals and electronics	0.0%	0.0%	0.0%	0.0%
Food & Groceries	0.0%	0.0%	0.0%	0.0%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	4.2%	4.1%	4.1%	4.1%
Music & video & entertainment software	0.0%	0.0%	0.0%	0.0%
Sports & leisure equipment	0.1%	0.1%	0.1%	0.1%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

7.5 Drug Stores & Health & Beauty Stores

Figure 23: UK Drug Stores & Health & Beauty Stores Sales & Forecast (£ bn), By Category Group, 2004-13F

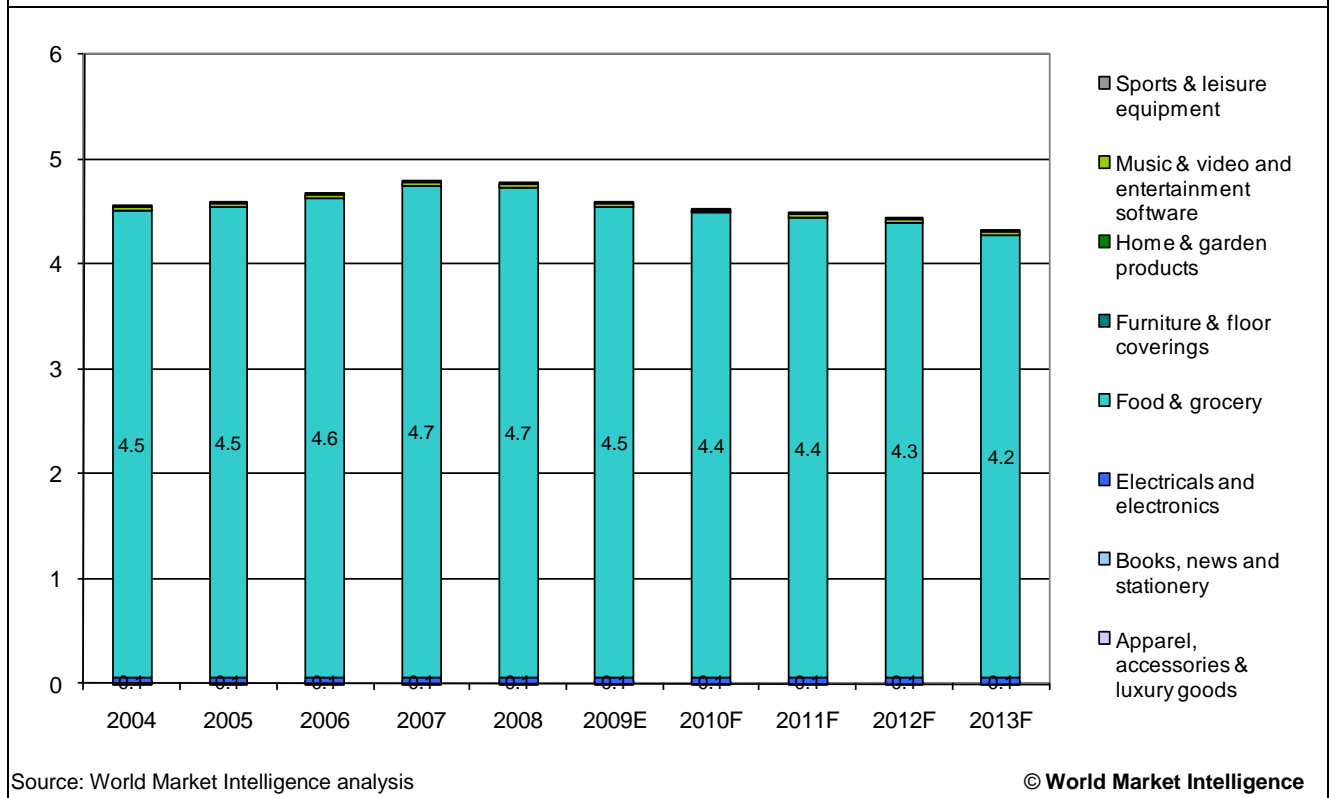


Table 61: UK Drug Stores & Health & Beauty Stores Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	1.2%	0.1%
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	0.7%	-0.3%
Electricals and electronics	0.1	0.1	0.1	0.1	0.1	0.1	1.8%	0.8%
Food & Groceries	4.5	4.5	4.6	4.7	4.7	4.5	1.2%	0.2%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	1.2%	0.2%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	0.8%	-0.3%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.7%	-0.3%
Overall	4.6	4.6	4.7	4.8	4.8	4.6	1.2%	0.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 62: UK Drug Stores & Health & Beauty Stores Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-2.1%	-1.6%
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-2.5%	-2.0%
Electricals and electronics	0.1	0.1	0.1	0.1	0.1	0.1	-1.4%	-0.9%
Food & Groceries	4.7	4.5	4.4	4.4	4.3	4.2	-2.0%	-1.6%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-2.0%	-1.5%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-2.4%	-2.0%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-2.5%	-2.1%
Overall	4.8	4.6	4.5	4.5	4.4	4.3	-2.0%	-1.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 63: UK Drug Stores & Health & Beauty Stores Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.1%	0.1%	0.1%	0.1%
Books, news and stationery	0.1%	0.1%	0.1%	0.1%
Electricals and electronics	1.1%	1.1%	1.1%	1.2%
Food & Groceries	97.8%	97.8%	97.8%	97.8%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.0%	0.0%	0.0%	0.0%
Music & video & entertainment software	0.7%	0.7%	0.7%	0.6%
Sports & leisure equipment	0.3%	0.3%	0.3%	0.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

7.6 Duty Free Retailers

Note: due to this category's low value, all data is presented in millions of currency units.

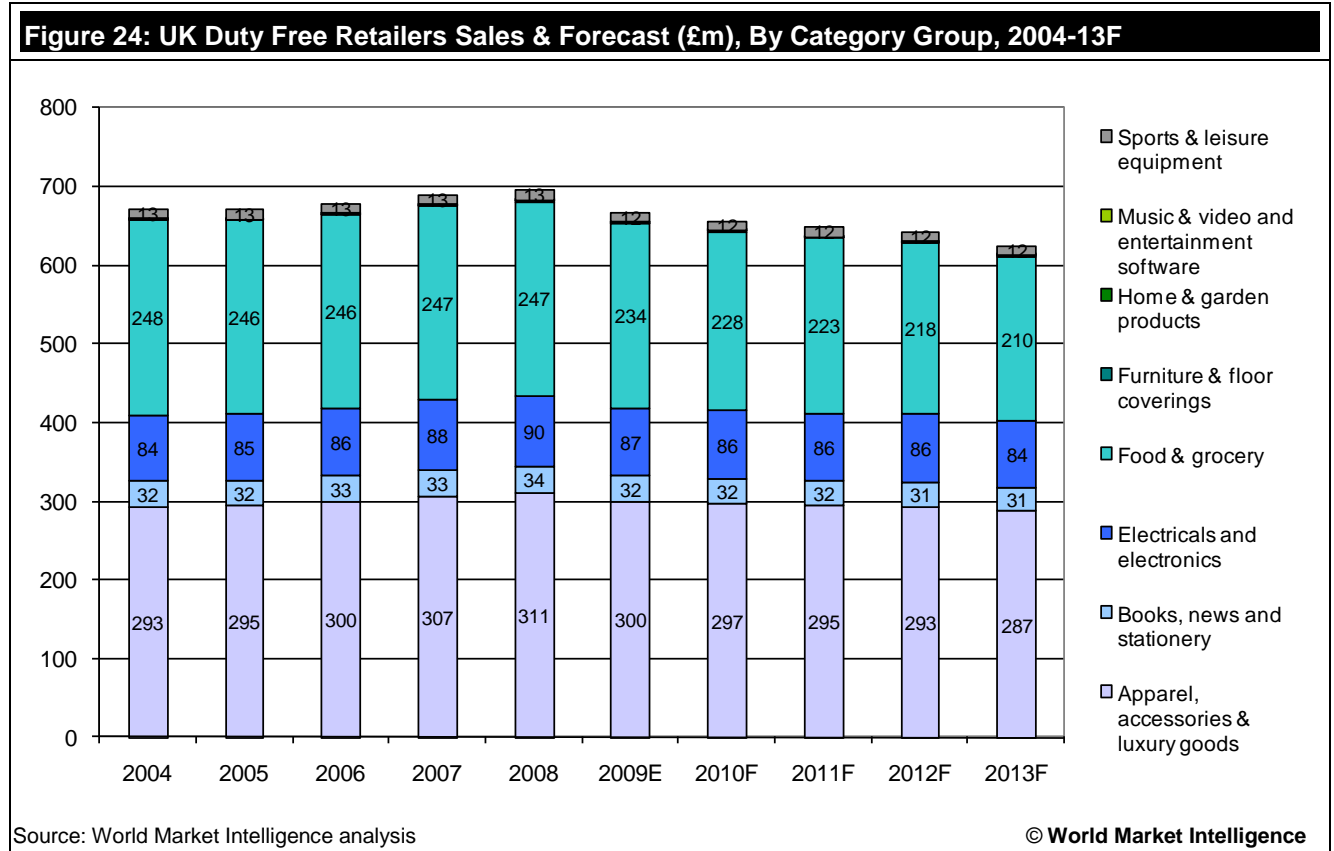


Table 64: UK Duty Free Retailers Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	293.2	294.7	299.7	306.7	310.9	299.8	1.5%	0.4%
Books, news and stationery	32.0	32.1	32.5	33.2	33.6	32.3	1.2%	0.2%
Electricals and electronics	83.9	84.5	86.2	88.4	89.8	86.8	1.7%	0.7%
Food & Groceries	248.3	245.6	245.7	247.3	246.7	234.0	-0.2%	-1.2%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	1.1	1.1	1.2	1.2	1.2	1.1	1.3%	0.3%
Music & video and entertainment software	0.5	0.5	0.5	0.5	0.6	0.5	2.7%	1.6%
Sports & leisure equipment	12.5	12.5	12.7	12.9	13.0	12.5	0.9%	-0.1%
Overall	671.6	671.0	678.4	690.1	695.8	667.0	0.9%	-0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 65: UK Duty Free Retailers Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	310.9	299.8	296.7	294.7	293.3	286.8	-1.6%	-1.1%
Books, news and stationery	33.6	32.3	31.8	31.5	31.3	30.5	-1.9%	-1.4%
Electricals and electronics	89.8	86.8	86.2	85.8	85.6	84.0	-1.3%	-0.8%
Food & Groceries	246.7	234.0	227.8	222.6	217.9	209.6	-3.2%	-2.7%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	1.2	1.1	1.1	1.1	1.1	1.1	-1.8%	-1.3%
Music & video and entertainment software	0.6	0.5	0.5	0.5	0.5	0.5	-0.5%	0.1%
Sports & leisure equipment	13.0	12.5	12.3	12.1	12.0	11.7	-2.1%	-1.6%
Overall	695.8	667.0	656.4	648.4	641.8	624.3	-2.1%	-1.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 66: UK Duty Free Retailers Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	43.7%	44.7%	44.9%	45.9%
Books, news and stationery	4.8%	4.8%	4.8%	4.9%
Electricals and electronics	12.5%	12.9%	13.0%	13.5%
Food & Groceries	37.0%	35.5%	35.1%	33.6%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.2%	0.2%	0.2%	0.2%
Music & video & entertainment software	0.1%	0.1%	0.1%	0.1%
Sports & leisure equipment	1.9%	1.9%	1.9%	1.9%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

7.7 Electricals & Electronics Specialists

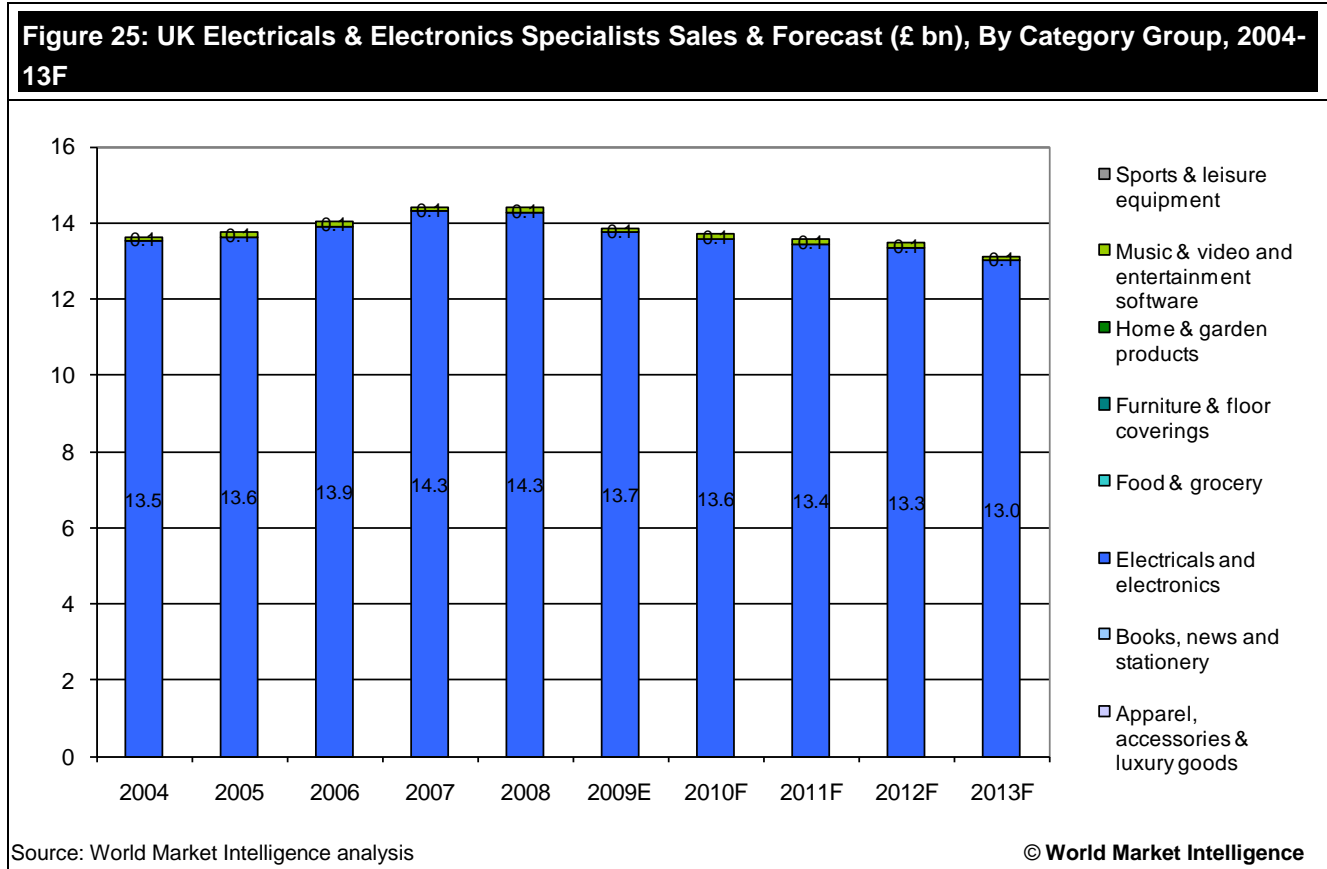


Table 67: UK Electricals & Electronics Specialists Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	13.5	13.6	13.9	14.3	14.3	13.7	1.4%	0.3%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Music & video and entertainment software	0.1	0.1	0.1	0.1	0.1	0.1	1.5%	0.5%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	13.6	13.8	14.0	14.4	14.4	13.9	1.4%	0.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 68: UK Electricals & Electronics Specialists Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	14.3	13.7	13.6	13.4	13.3	13.0	-1.8%	-1.4%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Music & video and entertainment software	0.1	0.1	0.1	0.1	0.1	0.1	-1.7%	-1.2%
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	14.4	13.9	13.7	13.6	13.5	13.1	-1.8%	-1.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 69: UK Electricals & Electronics Specialists Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	0.0%	0.0%	0.0%	0.0%
Electricals and electronics	99.1%	99.1%	99.1%	99.1%
Food & Groceries	0.0%	0.0%	0.0%	0.0%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.0%	0.0%	0.0%	0.0%
Music & video & entertainment software	0.9%	0.9%	0.9%	0.9%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

7.8 Food & Drinks Specialists

Note: the only category with significant sales sold by food and drinks specialists in the UK, perhaps unsurprisingly, is food & grocery.

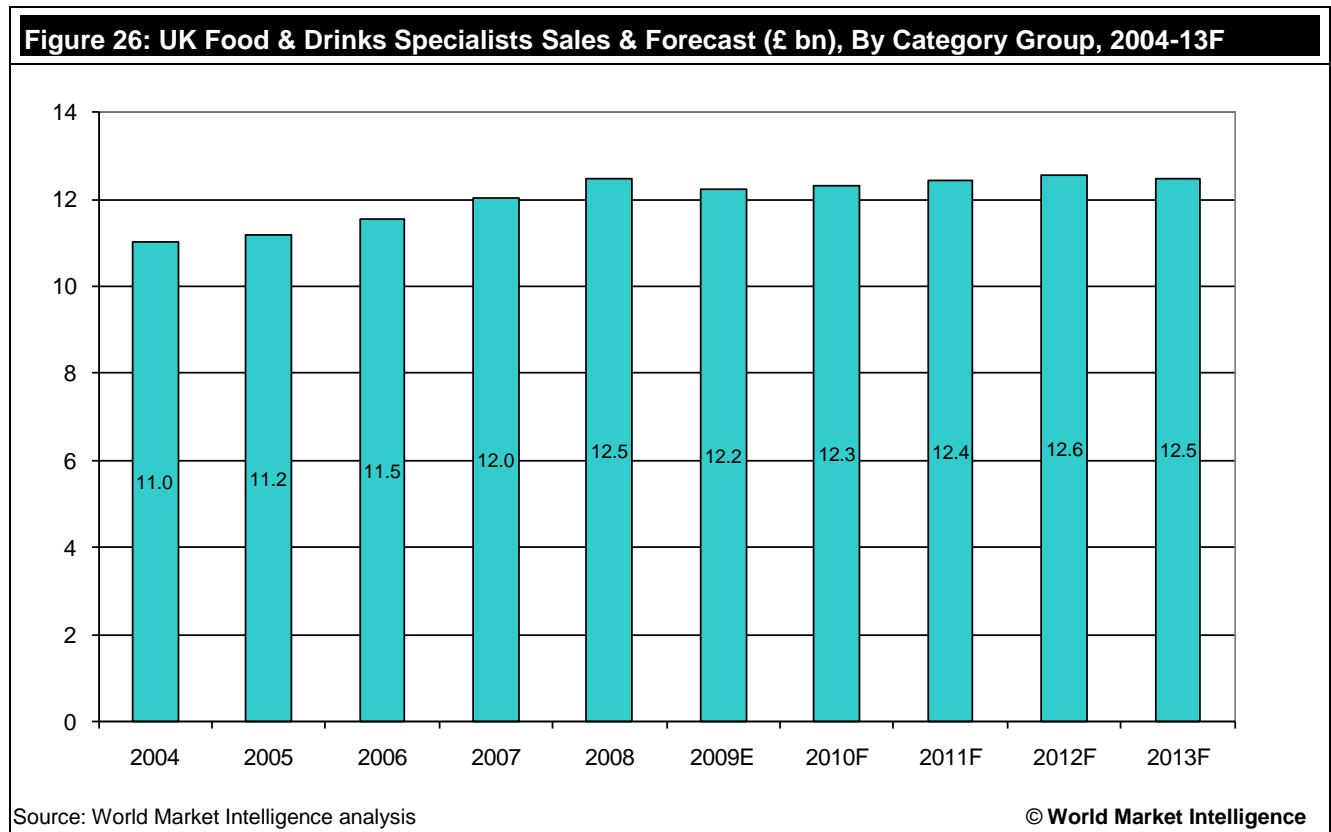


Table 70: UK Food & Drinks Specialists Sales (£ bn), By Category Group, 2004-09E

	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Overall	11.0	11.2	11.5	12.0	12.5	12.2	3.1%	2.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 71: UK Food & Drinks Specialists Sales Forecast (£ bn), By Category Group, 2008-2013

	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Overall	12.5	12.2	12.3	12.4	12.6	12.5	0.0%	0.5%

Source: World Market Intelligence analysis © World Market Intelligence

7.9 Home Furniture & Housewares Retailers

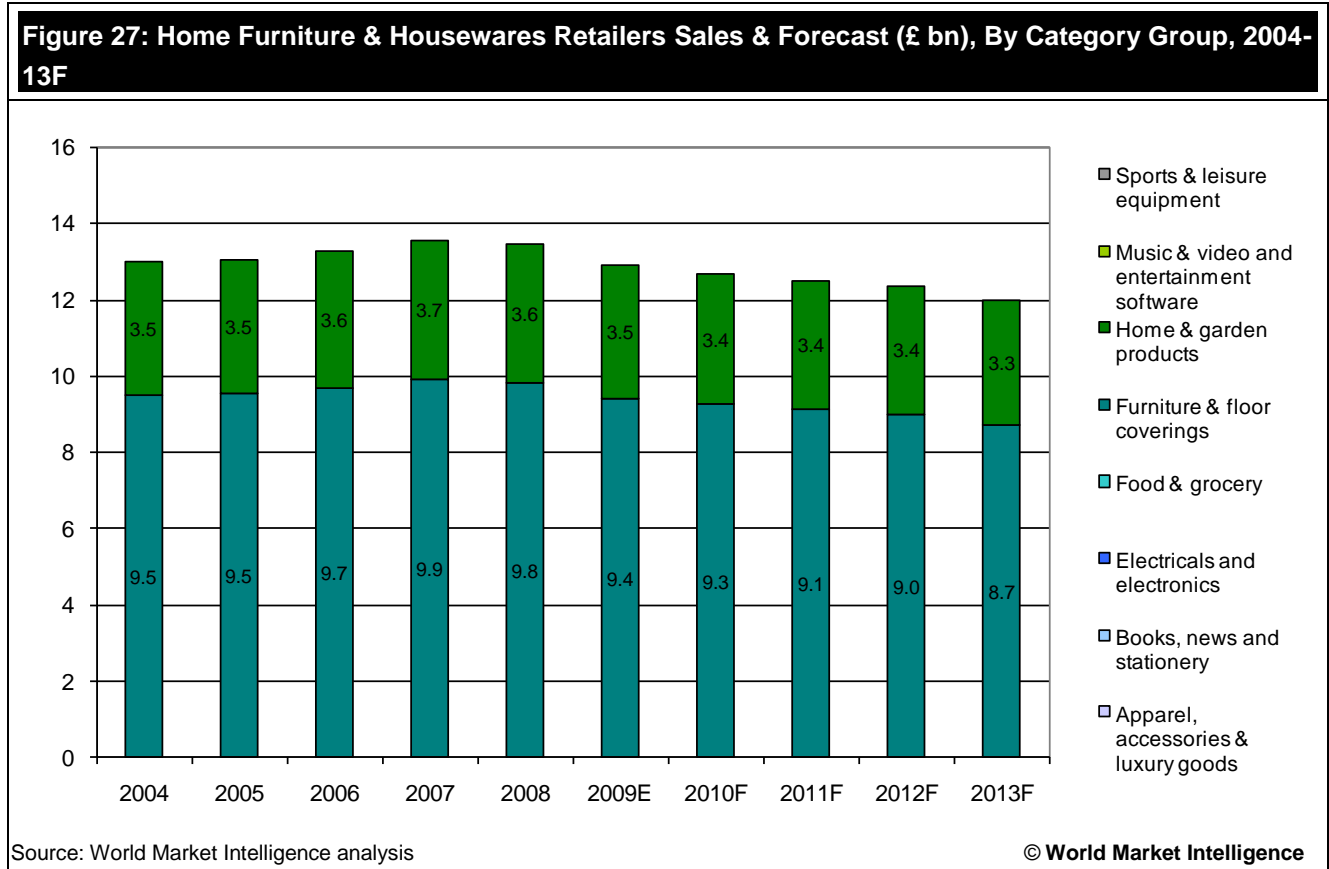


Table 72: UK Home Furniture & Housewares Retailers Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	9.5	9.5	9.7	9.9	9.8	9.4	0.8%	-0.2%
Home & garden products	3.5	3.5	3.6	3.7	3.6	3.5	1.0%	0.0%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	13.0	13.1	13.3	13.6	13.5	12.9	0.9%	-0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 73: UK Home Furniture & Housewares Retailers Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	9.8	9.4	9.3	9.1	9.0	8.7	-2.4%	-1.9%
Home & garden products	3.6	3.5	3.4	3.4	3.4	3.3	-2.2%	-1.7%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	13.5	12.9	12.7	12.5	12.4	12.0	-2.3%	-1.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 74: UK Home Furniture & Housewares Retailers Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	0.0%	0.0%	0.0%	0.0%
Electricals and electronics	0.0%	0.0%	0.0%	0.0%
Food & Groceries	0.0%	0.0%	0.0%	0.0%
Furniture & floor coverings	73.1%	72.9%	72.9%	72.7%
Home & garden products	26.9%	27.1%	27.1%	27.3%
Music & video & entertainment software	0.0%	0.0%	0.0%	0.0%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

7.10 Home Improvement & Gardening Supplies Retailers

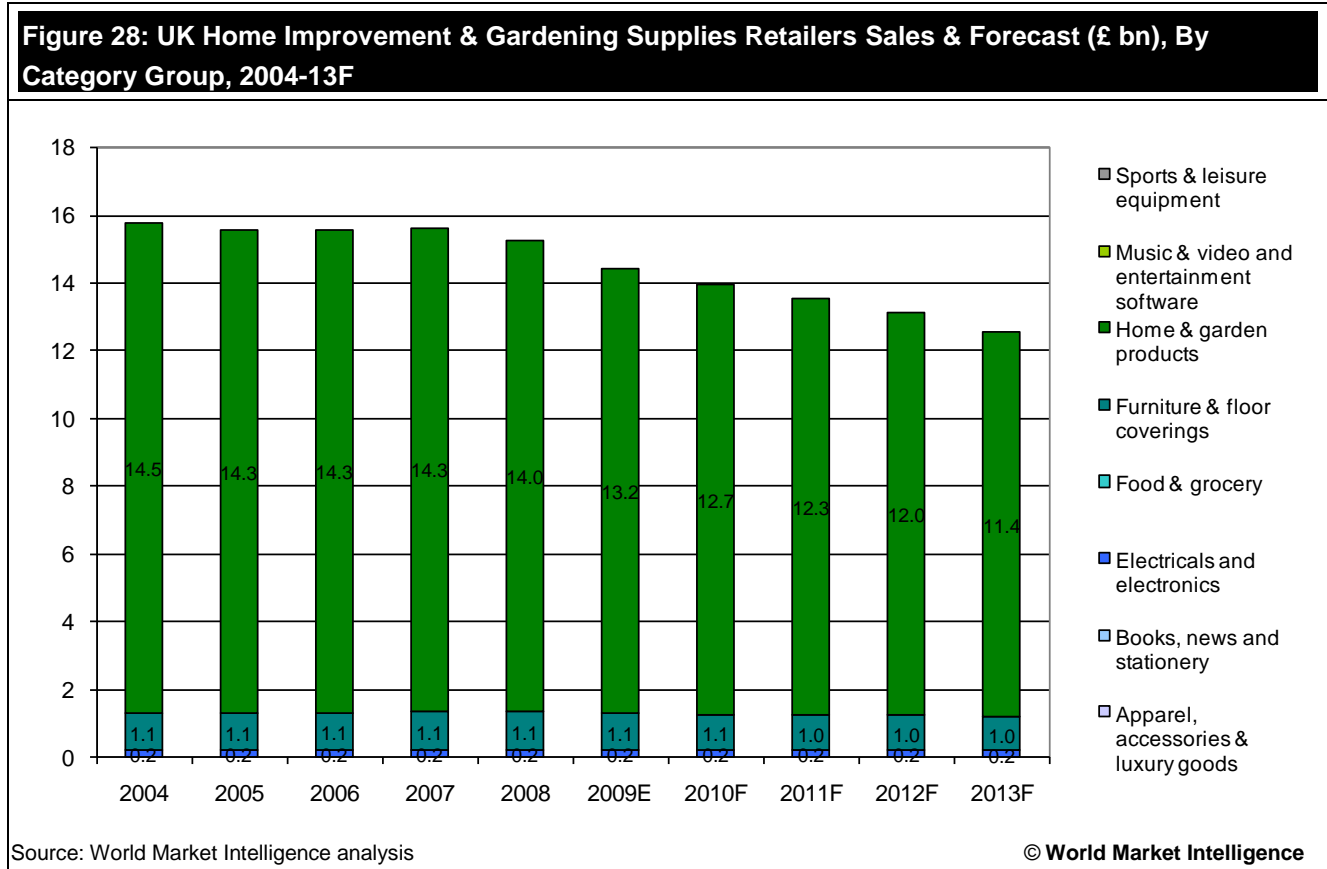


Table 75: UK Home Improvement & Gardening Supplies Retailers Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.2	0.2	0.2	0.2	0.2	0.2	1.2%	0.2%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	1.1	1.1	1.1	1.1	1.1	1.1	0.9%	-0.1%
Home & garden products	14.5	14.3	14.3	14.3	14.0	13.2	-0.9%	-1.9%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	15.8	15.6	15.6	15.7	15.3	14.4	-0.8%	-1.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 76: UK Home Improvement & Gardening Supplies Retailers Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Books, news and stationery	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Electricals and electronics	0.2	0.2	0.2	0.2	0.2	0.2	-2.0%	-1.5%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	1.1	1.1	1.1	1.0	1.0	1.0	-2.3%	-1.8%
Home & garden products	14.0	13.2	12.7	12.3	12.0	11.4	-4.0%	-3.6%
Music & video and entertainment software	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Sports & leisure equipment	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	15.3	14.4	13.9	13.5	13.2	12.6	-3.9%	-3.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 77: UK Home Improvement & Gardening Supplies Retailers Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.0%	0.0%	0.0%	0.0%
Books, news and stationery	0.0%	0.0%	0.0%	0.0%
Electricals and electronics	1.1%	1.2%	1.2%	1.4%
Food & Groceries	0.0%	0.0%	0.0%	0.0%
Furniture & floor coverings	6.9%	7.3%	7.5%	8.0%
Home & garden products	92.0%	91.4%	91.3%	90.7%
Music & video & entertainment software	0.0%	0.0%	0.0%	0.0%
Sports & leisure equipment	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

7.11 Music, Video, Book, Stationery, & Entertainment Software Specialists

Figure 29: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales & Forecast (£ bn), By Category Group, 2004-13F

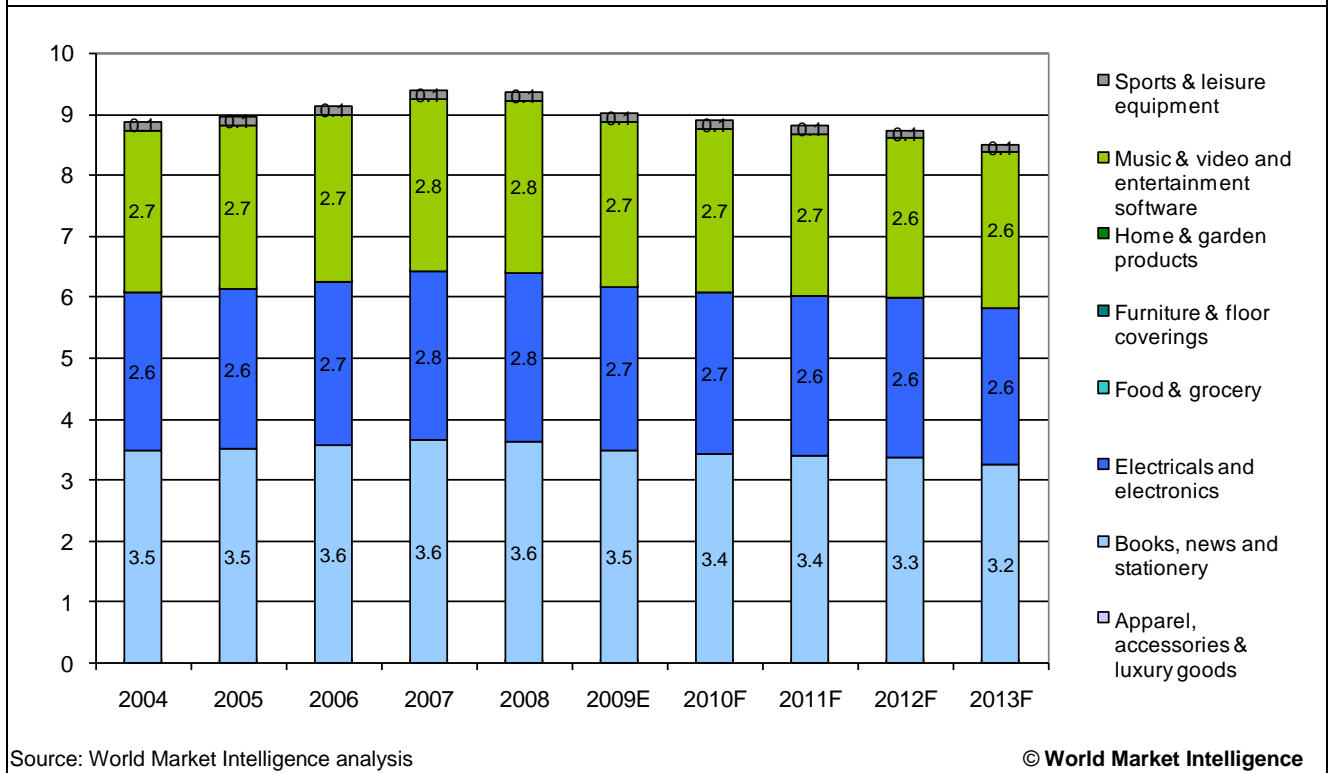


Table 78: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	1.2%	0.1%
Books, news and stationery	3.5	3.5	3.6	3.6	3.6	3.5	1.0%	0.0%
Electricals and electronics	2.6	2.6	2.7	2.8	2.8	2.7	1.7%	0.7%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	1.2%	0.2%
Music & video and entertainment software	2.7	2.7	2.7	2.8	2.8	2.7	1.3%	0.3%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.7%	-0.4%
Overall	8.9	9.0	9.2	9.4	9.4	9.0	1.3%	0.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 79: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	0.0	0.0	0.0	0.0	0.0	0.0	-2.1%	-1.6%
Books, news and stationery	3.6	3.5	3.4	3.4	3.3	3.2	-2.2%	-1.7%
Electricals and electronics	2.8	2.7	2.7	2.6	2.6	2.6	-1.5%	-1.0%
Food & Groceries	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.0	0.0	0.0	0.0	0.0	-2.0%	-1.5%
Music & video and entertainment software	2.8	2.7	2.7	2.7	2.6	2.6	-1.9%	-1.4%
Sports & leisure equipment	0.1	0.1	0.1	0.1	0.1	0.1	-2.5%	-2.1%
Overall	9.4	9.0	8.9	8.8	8.8	8.5	-1.9%	-1.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 80: UK Music, Video, Book, Stationery, & Entertainment Software Specialists Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	0.2%	0.2%	0.2%	0.2%
Books, news and stationery	39.0%	38.6%	38.5%	38.0%
Electricals and electronics	29.1%	29.6%	29.7%	30.2%
Food & Groceries	0.0%	0.0%	0.0%	0.0%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.0%	0.0%	0.0%	0.0%
Music & video & entertainment software	30.0%	30.0%	30.0%	30.1%
Sports & leisure equipment	1.6%	1.6%	1.6%	1.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

7.12 Other Specialist Retailers



Table 81: UK Other Specialist Retailers Sales (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	5.7	5.7	5.8	5.9	6.0	5.8	1.3%	0.3%
Books, news and stationery	6.4	6.4	6.5	6.6	6.7	6.4	1.2%	0.1%
Electricals and electronics	0.4	0.4	0.4	0.4	0.4	0.4	2.1%	1.0%
Food & Groceries	2.8	2.8	2.8	2.9	2.9	2.8	0.5%	-0.5%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	1.2%	0.2%
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	1.3%	0.3%
Music & video and entertainment software	0.2	0.2	0.2	0.2	0.2	0.2	1.6%	0.6%
Sports & leisure equipment	4.3	4.3	4.4	4.4	4.5	4.3	1.1%	0.1%
Overall	19.9	19.9	20.2	20.6	20.8	20.0	1.1%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 82: UK Other Specialist Retailers Sales Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	6.0	5.8	5.7	5.7	5.6	5.5	-1.7%	-1.2%
Books, news and stationery	6.7	6.4	6.3	6.3	6.2	6.1	-1.9%	-1.4%
Electricals and electronics	0.4	0.4	0.4	0.4	0.4	0.4	-1.0%	-0.5%
Food & Groceries	2.9	2.8	2.7	2.7	2.6	2.5	-2.5%	-2.0%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-1.9%	-1.3%
Home & garden products	0.1	0.1	0.1	0.1	0.1	0.1	-1.8%	-1.3%
Music & video and entertainment software	0.2	0.2	0.2	0.2	0.2	0.2	-1.4%	-0.9%
Sports & leisure equipment	4.5	4.3	4.3	4.2	4.2	4.1	-2.0%	-1.5%
Overall	20.8	20.0	19.7	19.5	19.4	18.9	-1.9%	-1.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 83: UK Other Specialist Retailers Sales Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	28.7%	28.9%	29.0%	29.2%
Books, news and stationery	32.1%	32.1%	32.1%	32.2%
Electricals and electronics	1.9%	2.0%	2.0%	2.1%
Food & Groceries	14.2%	13.9%	13.8%	13.5%
Furniture & floor coverings	0.2%	0.2%	0.2%	0.2%
Home & garden products	0.3%	0.3%	0.3%	0.3%
Music & video & entertainment software	1.0%	1.0%	1.0%	1.0%
Sports & leisure equipment	21.6%	21.6%	21.6%	21.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

8 Channel Analysis: Online Retailers

This chapter considers the UK online retailer channel group. Data is presented breaking down the group by the category groups that are sold through it. At present WMI does not break down the online retailers group by its constituent channels.

8.1 Online Retailers Channel Overview

Online retailing includes all sales of the relevant category that take place over the Internet, irrespective of whether the vendor is a pure-play Internet company or the online offering of a real-world retailer. Sales must be fulfilled and transacted over the Internet to class as online: pre-ordering over the Internet and collecting in a store does not class as online for this purpose.

8.2 Online Retailers Data By Category Group

The following charts analyze UK online retail split out by category group:

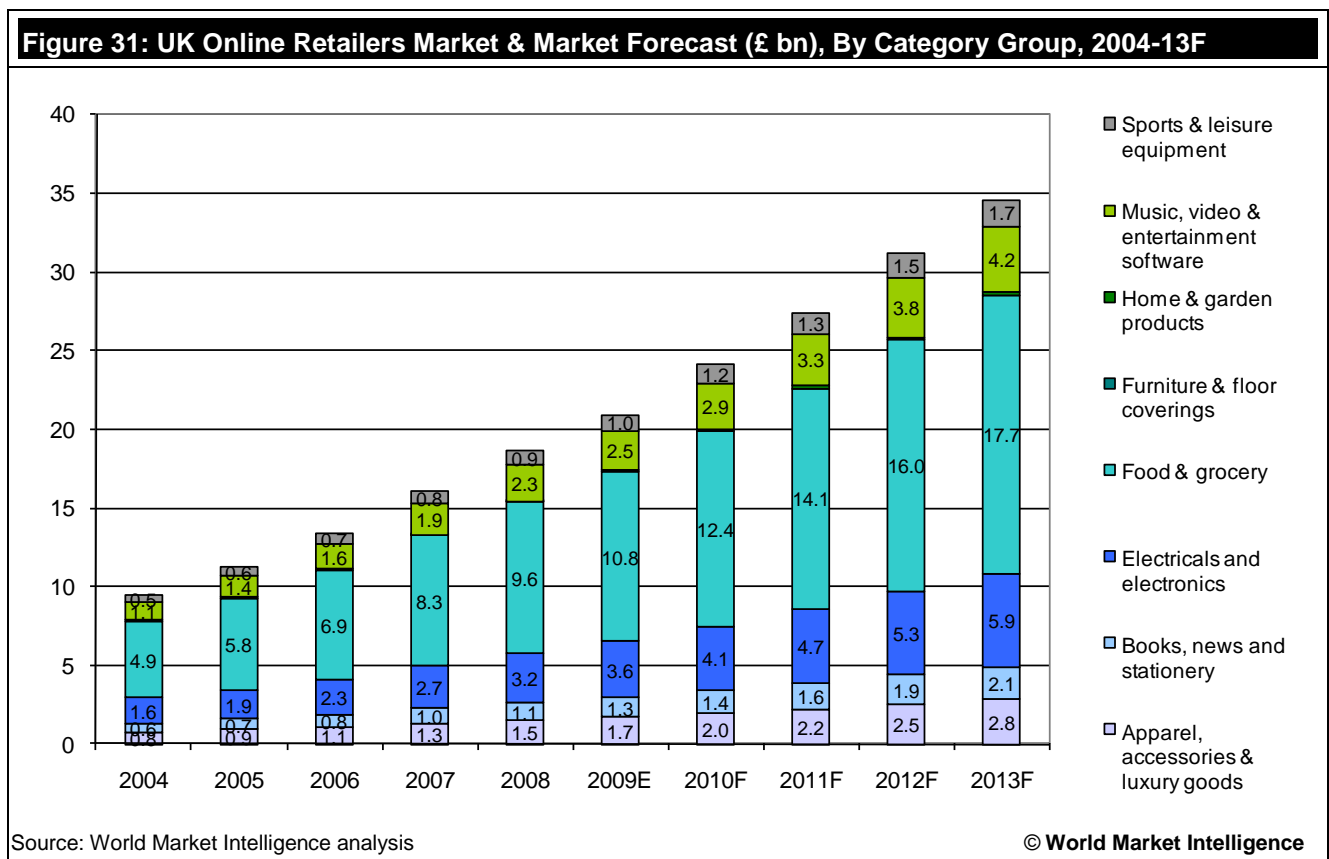
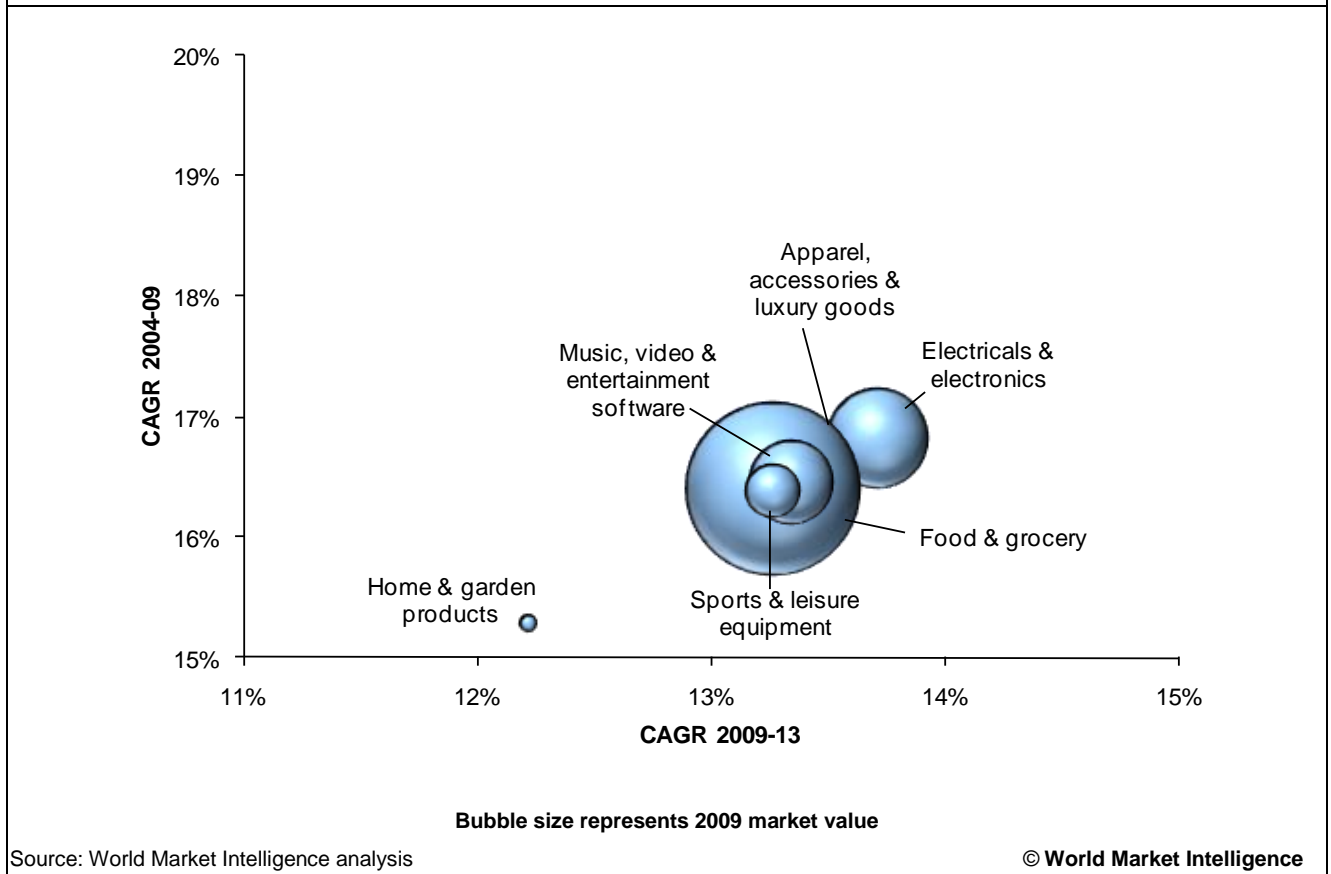


Figure 32: UK Online Retailers Market Dynamics, By Category Group, 2004-13F



The following tables provide detailed data on UK online retail historic and forecast values, growth and share, by category group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 84: UK Online Retailers Market (£ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	0.8	0.9	1.1	1.3	1.5	1.7	18.6%	17.3%
Books, news and stationery	0.6	0.7	0.8	1.0	1.1	1.3	18.3%	17.1%
Electricals and electronics	1.6	1.9	2.3	2.7	3.2	3.6	18.7%	17.5%
Food & Groceries	4.9	5.8	6.9	8.3	9.6	10.8	18.3%	17.1%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.0	0.1	0.1	0.1	0.1	0.1	17.1%	15.9%
Music & video and entertainment software	1.1	1.4	1.6	1.9	2.3	2.5	18.3%	17.1%
Sports & leisure equipment	0.5	0.6	0.7	0.8	0.9	1.0	18.3%	17.1%
Overall	9.5	11.2	13.4	16.0	18.6	20.9	18.4%	17.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 85: UK Online Retailers Market Forecast (£ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	1.5	1.7	2.0	2.2	2.5	2.8	13.3%	13.5%
Books, news and stationery	1.1	1.3	1.4	1.6	1.9	2.1	13.1%	13.3%
Electricals and electronics	3.2	3.6	4.1	4.7	5.3	5.9	13.5%	13.7%
Food & Groceries	9.6	10.8	12.4	14.1	16.0	17.7	13.1%	13.3%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.1	0.2	0.2	12.0%	12.2%
Music & video and entertainment software	2.3	2.5	2.9	3.3	3.8	4.2	13.1%	13.3%
Sports & leisure equipment	0.9	1.0	1.2	1.3	1.5	1.7	13.1%	13.3%
Overall	18.6	20.9	24.1	27.4	31.2	34.6	13.2%	13.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 86: UK Online Retailers Market Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	8.1%	8.1%	8.1%	8.2%
Books, news and stationery	6.0%	6.0%	6.0%	6.0%
Electricals and electronics	16.7%	16.9%	17.0%	17.2%
Food & Groceries	51.6%	51.4%	51.4%	51.2%
Furniture & floor coverings	0.0%	0.0%	0.0%	0.0%
Home & garden products	0.5%	0.5%	0.5%	0.5%
Music & video & entertainment software	12.1%	12.1%	12.1%	12.1%
Sports & leisure equipment	5.0%	4.9%	4.9%	4.9%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 87: UK Online Retailers Market (US\$ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	1.4	1.7	2.0	2.4	2.8	3.2	18.6%	17.3%
Books, news and stationery	1.1	1.2	1.5	1.8	2.1	2.3	18.3%	17.1%
Electricals and electronics	2.9	3.5	4.2	5.0	5.9	6.6	18.7%	17.5%
Food & Groceries	9.1	10.7	12.8	15.3	17.8	20.0	18.3%	17.1%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.1	0.1	0.1	0.2	0.2	0.2	17.1%	15.9%
Music & video and entertainment software	2.1	2.5	3.0	3.6	4.2	4.7	18.3%	17.1%
Sports & leisure equipment	0.9	1.0	1.2	1.5	1.7	1.9	18.3%	17.1%
Overall	17.6	20.8	24.8	29.8	34.6	38.9	18.4%	17.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 88: UK Online Retailers Market Forecast (US\$ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	2.8	3.2	3.6	4.1	4.7	5.2	13.3%	13.5%
Books, news and stationery	2.1	2.3	2.7	3.0	3.4	3.8	13.1%	13.3%
Electricals and electronics	5.9	6.6	7.6	8.7	9.9	11.0	13.5%	13.7%
Food & Groceries	17.8	20.0	23.0	26.1	29.6	32.9	13.1%	13.3%
Furniture & floor coverings	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Home & garden products	0.2	0.2	0.2	0.2	0.3	0.3	12.0%	12.2%
Music & video and entertainment software	4.2	4.7	5.4	6.2	7.0	7.8	13.1%	13.3%
Sports & leisure equipment	1.7	1.9	2.2	2.5	2.8	3.2	13.1%	13.3%
Overall	34.6	38.9	44.7	50.9	57.8	64.2	13.2%	13.4%

Source: World Market Intelligence analysis

© World Market Intelligence

9 Category Analysis: UK Retail Market

This section of this report provides insight into the UK retail market at category level. It considers eight key category groups: apparel, accessories & luxury goods; books, news and stationery; electricals and electronics; food & groceries; furniture & floor coverings; home & garden products; music & video and entertainment software; and sports & leisure equipment.

Data is presented in three ways: at overview level; by breaking down each category group by the categories that it is made of; and by breaking down each category group by the channels that it is sold through.

9.1 Retail Categories Overview

As in all retail markets globally, **food and groceries is by far the most important category group** in the UK retail market. This category group has been driven in recent years primarily by premiumization: food volumes sold in the UK are not showing a substantial rise beyond that caused by the UK's moderate population growth, but the price per unit of food has been rising as food manufacturers and retailers seek to persuade consumers to upgrade to higher-quality, more expensive products. At the same time, commodity price inflation in 2007-2008 also boosted value sales in the food market, since demand is relatively inelastic.

Apparel, accessories and luxury goods, dominated by clothing, is the UK's second largest retail category group. Although value growth in this group has only been moderate, this does not reflect a decline in the market for clothes. Rather, **there has been an explosive growth in low- and mid-price clothes retailing**: specialist retailers such as Primark and supermarkets such as Asda have created ranges of fair-quality, relatively fashionable clothing at very low price-points, taking share from more traditional mid-price retailers such as Marks & Spencers and Bhs, while retailers like Zara in stores and Asos on the Internet have launched highly fashionable, on-trend clothes at medium price points, with the same effect on higher-end fashion retailers.

Electricals and electronics is a large category group that has performed well in recent years, and is expected to show only moderate decline in 2009. This group has been driven by **growth in computer equipment sales and consumer electronics sales**, reflecting the major technical advances made in both categories that have allowed ever-improving products to be sold at ever-lower prices. Nearly all products in this group in the UK are imported, so the decline in the value of the pound compared to 2007-08 levels will have a dampening effect on volume growth in the group – however, it will also raise prices and hence the value impact will partly offset this.

Home & garden products and furniture and floor coverings together account for almost 14% of UK retail sales. They have been, and are expected to continue being, the two poorest-performing category groups. In furniture, this partly reflects a substantial impact from the collapse of the housing boom; however, the home & garden category has been performing poorly throughout the decade as **people have been moving away from the classic British leisure pursuit of DIY towards a much wider range of going-out activities** (while increasingly paying professionals for home decoration activities using wholesale-purchased materials).

The best-performing category in recent years has been music, video and entertainment software, despite the well-publicized problems in the CD market. These have been offset by the combination of **continued good DVD sales, strong uptake of online music, and an ever-increasing demographic of leisure computer gamers** driven by family-friendly consoles such as the Nintendo Wii.

9.2 Retail Categories Data

Food & groceries is the leading category group in the UK retail market, with sales of £142bn (US\$264bn) in 2008. The second-largest group was apparel, accessories & luxury goods, with sales of £42bn (US\$78bn). The joint next-largest were home & garden products at and electricals & electronics, both at £26bn (US\$47bn). Books, news & stationery was worth £15bn (US\$28bn), furniture and floor coverings was worth £14bn (US\$26bn). The smallest category groups were music, video and entertainment software at £7.4bn (US\$14bn) and sports and leisure equipment at £6.2bn (US\$12bn).

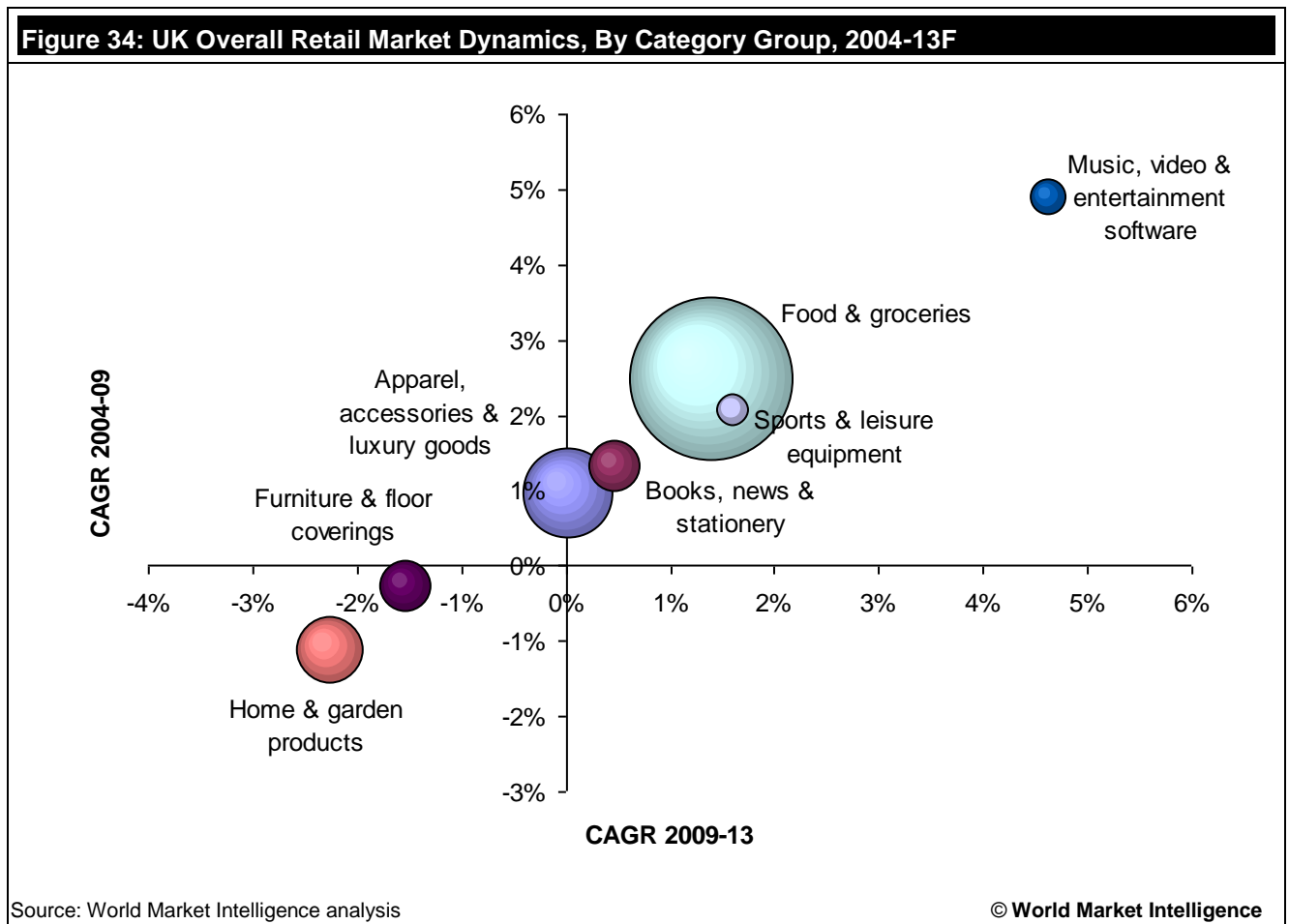
In 2009, WMI estimates that food & groceries will be worth £140bn, apparel, accessories & luxury goods will fall to £41bn, and electricals and electronics will fall to £25bn overtaking home & garden products which will fall to £24bn. Books, news and stationery is expected to remain at £15bn, with furniture & floor coverings shrinking to £13bn, music & video and entertainment software actually rising slightly to £7.5bn, and sports & leisure equipment slipping back slightly to £6.1bn.



In growth terms, the fortunes of different UK retail categories have varied substantially in recent years and are expected to continue doing so. Home and garden products fell at an average annual rate of 0.8% between 2004 and 2009, whereas music, video & entertainment products grew at 4.8%. Furniture and floor coverings also showed anemic growth of 0.1% on average.

For the largest categories – food & groceries and apparel, accessories & luxury goods – performance has been more moderate. Food & groceries showed annual growth of 2.5% over 2004-09, while apparel grew at 1.1%. Electricals & electronics grew at 2.4%, while books, news and stationery grew at 1.5%.

Growth from 2009-2013 is expected to be much weaker than over the preceding years: even as the economy recovers, the credit boom that drove UK consumer spending during the 2000s will not return and it is likely that much of UK growth will go towards debt repayment. Relative channel performance, however, is expected to be similar to that seen in previous years: the technological and market drivers behind the electronics and entertainment industries will remain in place, and the generational shift away from home and garden activities is unlikely to be reversed in the short term.



The following tables provide detailed data on overall UK retail market historic and forecast values, growth and share by category group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 89: UK Overall Retail Market (£ bn), By Category Group, 2004-09E								
Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	38.6	38.8	39.5	40.8	41.9	40.7	2.1%	1.1%
Books, news and stationery	13.8	14.0	14.4	14.9	15.2	14.9	2.4%	1.5%
Electricals and electronics	22.5	23.0	23.8	25.0	25.6	25.2	3.3%	2.4%
Food & Groceries	123.9	126.0	130.6	136.7	142.2	140.3	3.5%	2.5%
Furniture & floor coverings	13.4	13.4	13.6	14.0	14.0	13.4	1.1%	0.1%
Home & garden products	25.4	25.2	25.4	25.8	25.6	24.4	0.2%	-0.8%
Music & video and entertainment software	5.9	6.2	6.6	7.0	7.4	7.5	5.7%	4.8%
Sports & leisure equipment	5.5	5.6	5.8	6.0	6.2	6.1	3.0%	2.1%
Overall	248.9	252.2	259.7	270.1	278.0	272.4	2.8%	1.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 90: UK Overall Retail Market Forecast (£ bn), By Category Group, 2008-2013								
Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	41.9	40.7	40.7	40.8	41.1	40.7	-0.6%	0.0%
Books, news and stationery	15.2	14.9	14.9	15.1	15.2	15.1	-0.1%	0.5%
Electricals and electronics	25.6	25.2	25.6	26.1	26.7	26.9	1.0%	1.6%
Food & Groceries	142.2	140.3	142.4	144.9	147.8	148.2	0.8%	1.4%
Furniture & floor coverings	14.0	13.4	13.2	13.1	13.0	12.6	-2.0%	-1.5%
Home & garden products	25.6	24.4	23.8	23.4	23.0	22.3	-2.8%	-2.3%
Music & video and entertainment software	7.4	7.5	7.9	8.3	8.7	9.0	4.0%	4.6%
Sports & leisure equipment	6.2	6.1	6.2	6.3	6.4	6.5	1.0%	1.6%
Overall	278.0	272.4	274.7	277.9	282.0	281.4	0.2%	0.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 91: UK Overall Retail Market Segmentation (% value), By Category Group, 2004-2013

Category group	2004	2008	2009E	2013F
Apparel, accessories & luxury goods	15.5%	15.1%	14.9%	14.5%
Books, news and stationery	5.6%	5.5%	5.5%	5.4%
Electricals and electronics	9.0%	9.2%	9.3%	9.6%
Food & Groceries	49.8%	51.2%	51.5%	52.7%
Furniture & floor coverings	5.4%	5.0%	4.9%	4.5%
Home & garden products	10.2%	9.2%	8.9%	7.9%
Music & video & entertainment software	2.4%	2.7%	2.8%	3.2%
Sports & leisure equipment	2.2%	2.2%	2.2%	2.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 92: UK Overall Retail Market (US\$ bn), By Category Group, 2004-09E

Category group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Apparel, accessories & luxury goods	71.5	71.9	73.3	75.6	77.7	75.5	2.1%	1.1%
Books, news and stationery	25.6	25.9	26.7	27.6	28.2	27.6	2.4%	1.5%
Electricals and electronics	41.6	42.6	44.2	46.3	47.4	46.8	3.3%	2.4%
Food & Groceries	229.8	233.8	242.3	253.7	263.8	260.2	3.5%	2.5%
Furniture & floor coverings	24.8	24.9	25.3	25.9	25.9	24.9	1.1%	0.1%
Home & garden products	47.1	46.8	47.1	47.8	47.5	45.2	0.2%	-0.8%
Music & video and entertainment software	11.0	11.5	12.2	13.1	13.7	14.0	5.7%	4.8%
Sports & leisure equipment	10.2	10.4	10.7	11.1	11.5	11.3	3.0%	2.1%
Overall	461.7	467.8	481.7	501.1	515.7	505.4	2.8%	1.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 93: UK Overall Retail Market Forecast (US\$ bn), By Category Group, 2008-2013

Category group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Apparel, accessories & luxury goods	77.7	75.5	75.5	75.8	76.3	75.6	-0.6%	0.0%
Books, news and stationery	28.2	27.6	27.7	27.9	28.2	28.1	-0.1%	0.5%
Electricals and electronics	47.4	46.8	47.5	48.5	49.6	49.9	1.0%	1.6%
Food & Groceries	263.8	260.2	264.1	268.7	274.2	275.0	0.8%	1.4%
Furniture & floor coverings	25.9	24.9	24.5	24.3	24.0	23.4	-2.0%	-1.5%
Home & garden products	47.5	45.2	44.2	43.4	42.7	41.3	-2.8%	-2.3%
Music & video and entertainment software	13.7	14.0	14.6	15.3	16.1	16.7	4.0%	4.6%
Sports & leisure equipment	11.5	11.3	11.5	11.7	12.0	12.0	1.0%	1.6%
Overall	515.7	505.4	509.7	515.6	523.1	522.0	0.2%	0.8%

Source: World Market Intelligence analysis

© World Market Intelligence

10 Category Analysis: Apparel, Accessories & Luxury Goods

This chapter considers the UK apparel, accessories & luxury goods category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

10.1 Apparel, Accessories & Luxury Goods Category Overview

Apparel, accessories & luxury goods is made up of clothing & footwear; jewelry & watches; and luggage & leather goods. Clothing & footwear includes all footwear categories, baby clothing, toddler clothing, and activewear, casual wear, essentials, formalwear, formalwear-occasion and outerwear for men, women, boys and girls.

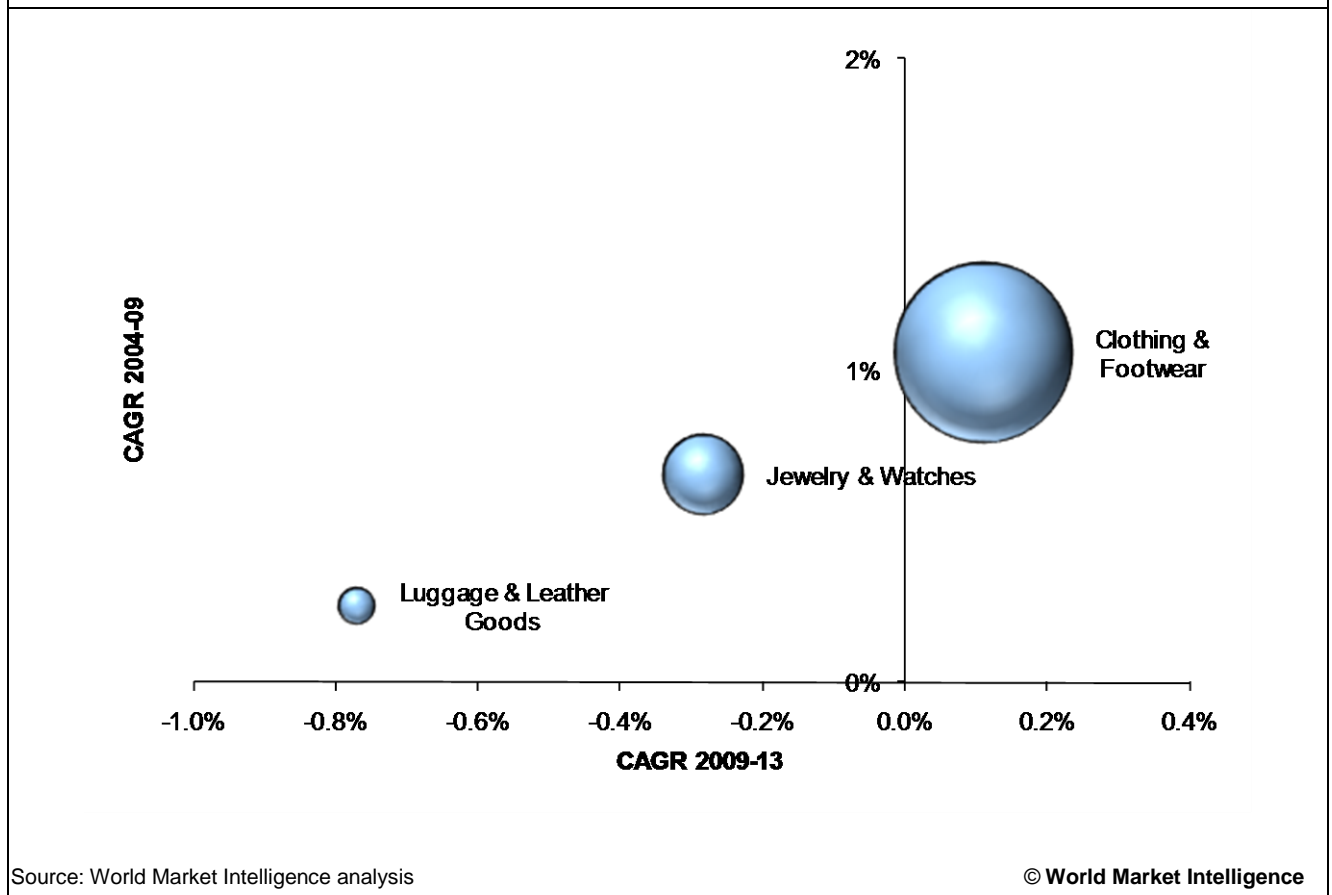
Jewelry & watches consists of gold jewelry, silver jewelry and other precious jewelry like diamonds, platinum, precious stones (sapphires, emeralds and rubies), pearls (natural and cultured) and semi-precious stones (e.g. quartz, opal, topaz, amethyst, coral etc.), fashion jewelry (non-precious jewelry), hair accessories, belts, hats, gloves, scarves, sunglasses and ties, plus watches. Luggage & leather goods is made up of suitcases, travel bags, briefcases, handbags, wallets and purses.

10.2 Apparel, Accessories & Luxury Goods Data By Category

The following charts analyze UK apparel, accessories & luxury goods retail split out by category:



Figure 36: UK Apparel, Accessories & Luxury Goods Retail Market Dynamics, By Category (£ bn), 2004-13F



The following tables provide detailed data on UK apparel, accessories & luxury goods retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 94: UK Apparel, Accessories & Luxury Goods Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Clothing & footwear	31.0	31.1	31.7	32.8	33.7	32.8	2.2%	1.2%
Jewelry & watches	6.3	6.3	6.5	6.6	6.8	6.6	1.9%	0.9%
Luggage & leather goods	1.3	1.3	1.3	1.4	1.4	1.3	1.4%	0.4%
Overall	38.6	38.8	39.5	40.8	41.9	40.7	2.1%	1.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 95: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Clothing & footwear	33.7	32.8	32.8	33.0	33.2	32.9	-0.5%	0.1%
Jewelry & watches	6.8	6.6	6.6	6.6	6.6	6.5	-0.8%	-0.3%
Luggage & leather goods	1.4	1.3	1.3	1.3	1.3	1.3	-1.3%	-0.8%
Overall	41.9	40.7	40.7	40.8	41.1	40.7	-0.6%	0.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 96: UK Apparel, Accessories & Luxury Goods Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Clothing & footwear	80.3%	80.3%	80.3%	80.4%
Jewelry & watches	16.3%	16.3%	16.4%	16.3%
Luggage & leather goods	3.4%	3.4%	3.3%	3.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 97: UK Apparel, Accessories & Luxury Goods Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Clothing & footwear	57.4	57.8	58.9	60.8	62.5	60.8	2.2%	1.2%
Jewelry & watches	11.7	11.8	12.0	12.3	12.6	12.2	1.9%	0.9%
Luggage & leather goods	2.4	2.4	2.5	2.5	2.6	2.5	1.4%	0.4%
Overall	71.5	71.9	73.3	75.6	77.7	75.5	2.1%	1.1%

Source: World Market Intelligence analysis © World Market Intelligence

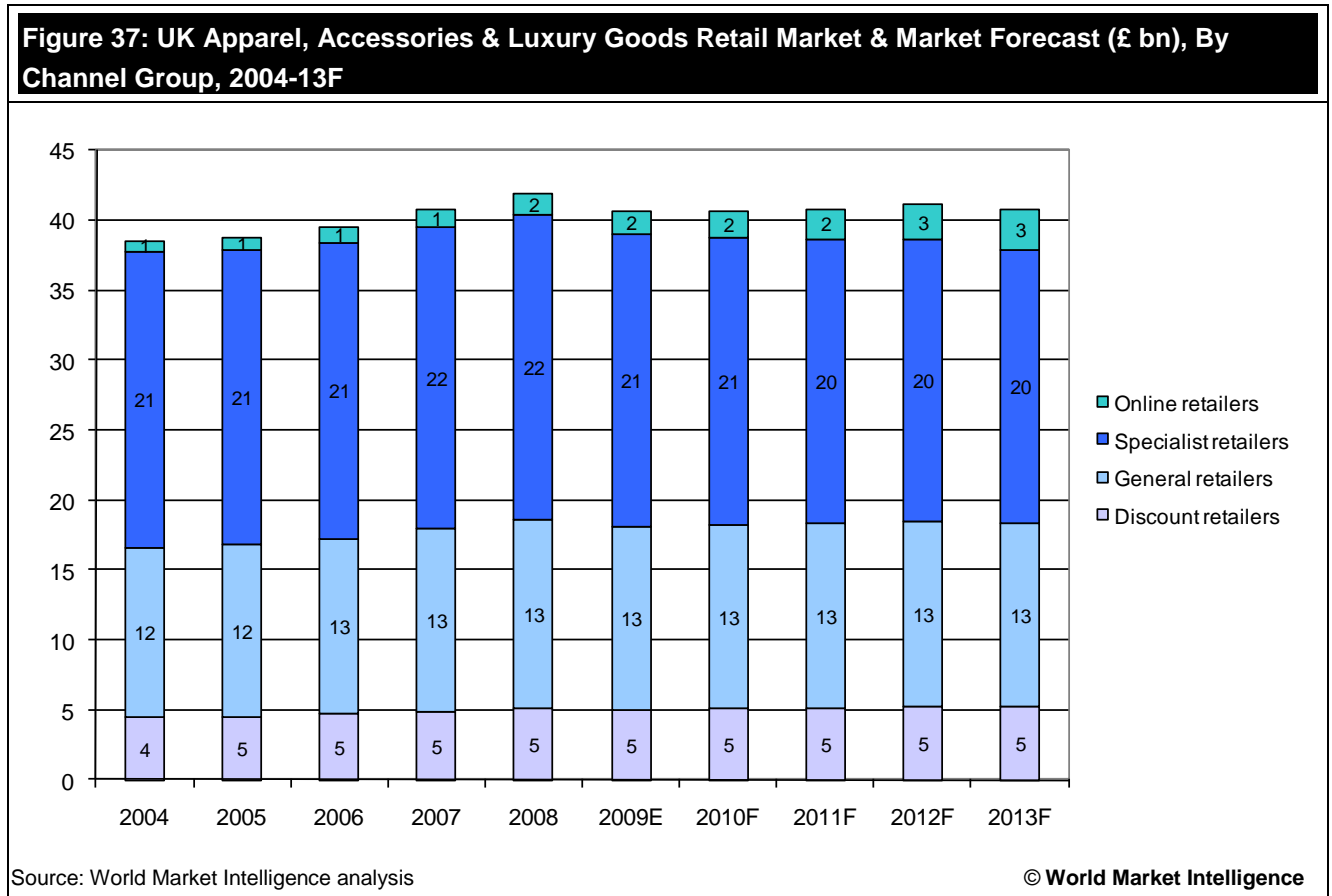
Table 98: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (US\$ bn), By Category, 2008-2013

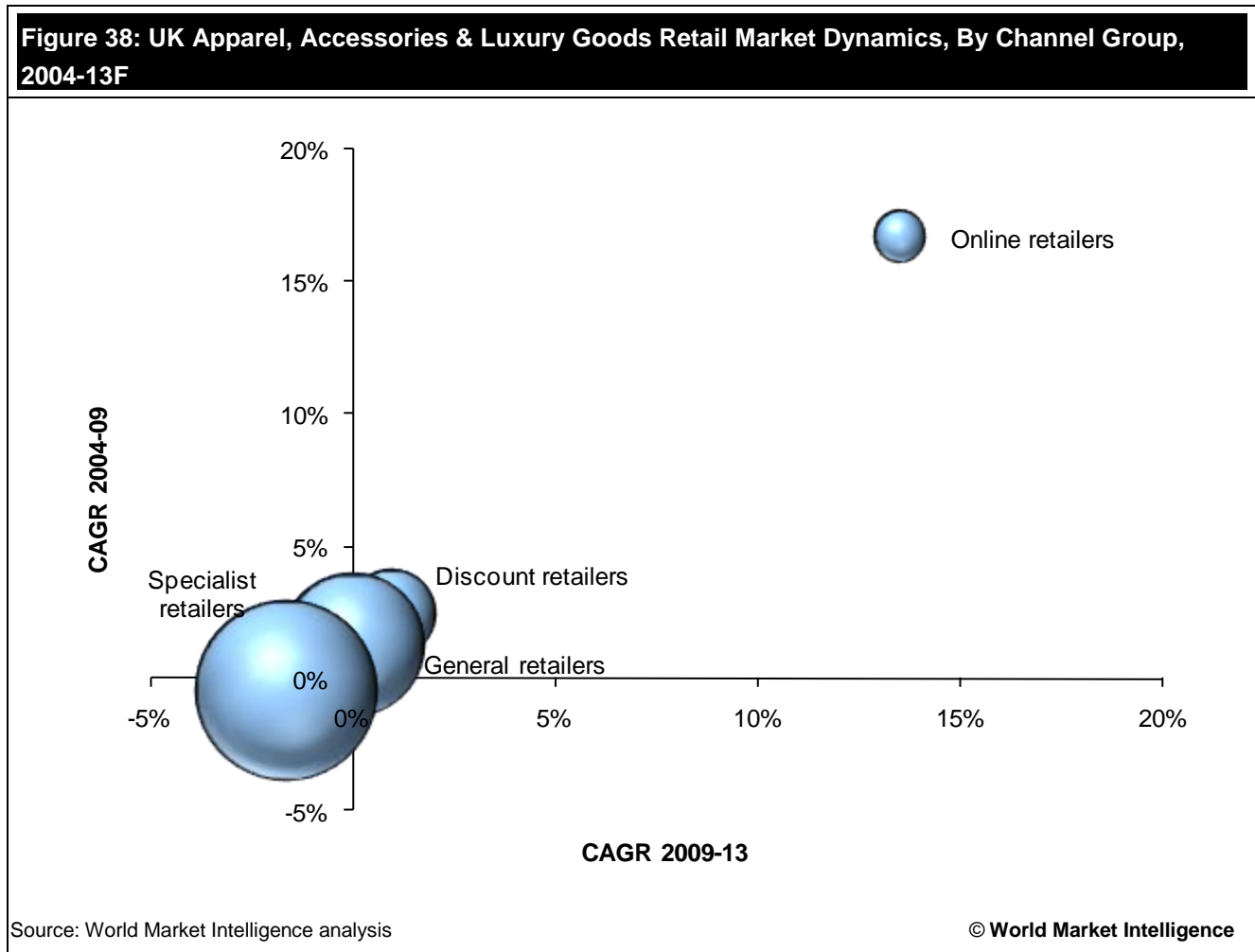
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Clothing & footwear	62.5	60.8	60.9	61.2	61.6	61.1	-0.5%	0.1%
Jewelry & watches	12.6	12.2	12.2	12.2	12.2	12.1	-0.8%	-0.3%
Luggage & leather goods	2.6	2.5	2.4	2.4	2.4	2.4	-1.3%	-0.8%
Overall	77.7	75.5	75.5	75.8	76.3	75.6	-0.6%	0.0%

Source: World Market Intelligence analysis © World Market Intelligence

10.3 Apparel, Accessories & Luxury Goods Data By Channel Group

The following charts analyze UK apparel, accessories & luxury goods retail split out by channel group:





The following tables provide detailed data on UK apparel, accessories & luxury goods retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 99: UK Apparel, Accessories & Luxury Goods Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	4.4	4.5	4.7	4.9	5.1	5.0	3.6%	2.5%
General retailers	12.2	12.3	12.6	13.0	13.4	13.1	2.4%	1.4%
Specialist retailers	21.2	21.1	21.2	21.6	21.8	20.9	0.8%	-0.2%
Online retailers	0.8	0.9	1.1	1.3	1.5	1.7	18.6%	17.3%
Overall	38.6	38.8	39.5	40.8	41.9	40.7	2.1%	1.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 100: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	4.4	4.5	4.7	4.9	5.1	5.0	3.6%	2.5%
General retailers	12.2	12.3	12.6	13.0	13.4	13.1	2.4%	1.4%
Specialist retailers	21.2	21.1	21.2	21.6	21.8	20.9	0.8%	-0.2%
Online retailers	0.8	0.9	1.1	1.3	1.5	1.7	18.6%	17.3%
Overall	38.6	38.8	39.5	40.8	41.9	40.7	2.1%	1.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 101: UK Apparel, Accessories & Luxury Goods Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	5.1	5.0	5.1	5.2
General retailers	13.4	13.1	13.1	13.1
Specialist retailers	21.8	20.9	20.5	20.3
Online retailers	1.5	1.7	2.0	2.2
Overall	41.9	40.7	40.7	40.8

Source: World Market Intelligence analysis © World Market Intelligence

Table 102: UK Apparel, Accessories & Luxury Goods Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	8.2	8.4	8.7	9.1	9.5	9.3	3.6%	2.5%
General retailers	22.6	22.8	23.3	24.1	24.9	24.2	2.4%	1.4%
Specialist retailers	39.2	39.1	39.3	40.0	40.5	38.8	0.8%	-0.2%
Online retailers	1.4	1.7	2.0	2.4	2.8	3.2	18.6%	17.3%
Overall	71.5	71.9	73.3	75.6	77.7	75.5	2.1%	1.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 103: UK Apparel, Accessories & Luxury Goods Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

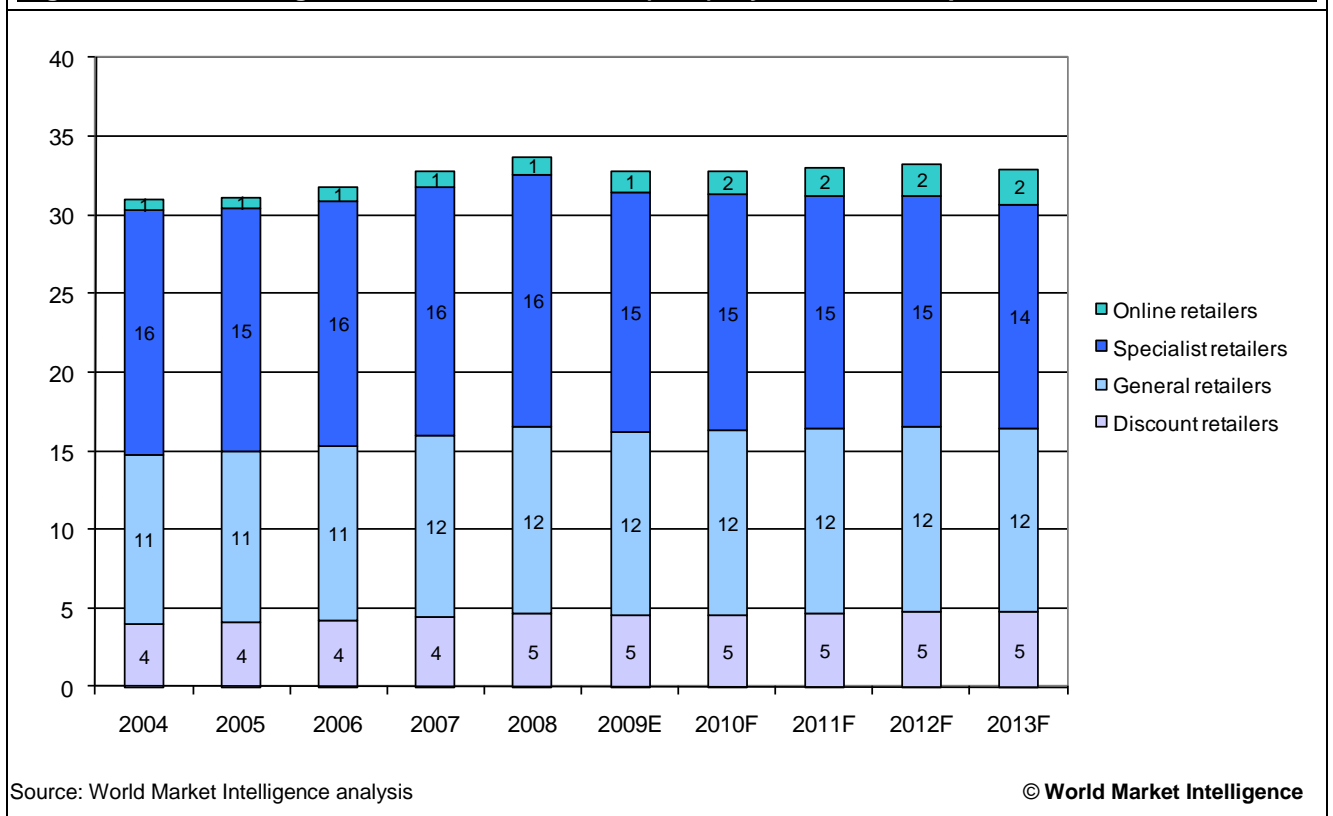
Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	9.5	9.3	9.4	9.6	9.7	9.7	3.6%	2.5%
General retailers	24.9	24.2	24.3	24.4	24.5	24.3	2.4%	1.4%
Specialist retailers	40.5	38.8	38.1	37.7	37.3	36.3	0.8%	-0.2%
Online retailers	2.8	3.2	3.6	4.1	4.7	5.2	18.6%	17.3%
Overall	77.7	75.5	75.5	75.8	76.3	75.6	2.1%	1.1%

Source: World Market Intelligence analysis

© World Market Intelligence

10.4 Clothing & Footwear

Figure 39: UK Clothing & Footwear Retail Market (£ bn), By Channel Group, 2004-13F



Source: World Market Intelligence analysis

© World Market Intelligence

Table 104: UK Clothing & Footwear Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	4.0	4.1	4.2	4.4	4.6	4.5	3.6%	2.6%
General retailers	10.8	10.9	11.1	11.6	11.9	11.6	2.6%	1.6%
Specialist retailers	15.6	15.5	15.5	15.8	16.0	15.3	0.6%	-0.4%
Online retailers	0.6	0.7	0.9	1.0	1.2	1.3	18.6%	17.4%
Overall	31.0	31.1	31.7	32.8	33.7	32.8	2.2%	1.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 105: UK Clothing & Footwear Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	4.6	4.5	4.6	4.6	4.7	4.7	0.5%	1.0%
General retailers	11.9	11.6	11.7	11.8	11.8	11.7	-0.3%	0.2%
Specialist retailers	16.0	15.3	15.0	14.8	14.6	14.2	-2.3%	-1.7%
Online retailers	1.2	1.3	1.6	1.8	2.0	2.2	13.4%	13.6%
Overall	33.7	32.8	32.8	33.0	33.2	32.9	-0.4%	-0.5%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 106: UK Clothing & Footwear Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	12.9%	13.6%	13.8%	14.3%
General retailers	34.8%	35.4%	35.5%	35.6%
Specialist retailers	50.4%	47.4%	46.6%	43.3%
Online retailers	1.9%	3.5%	4.1%	6.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

10.5 Jewelry & Watches

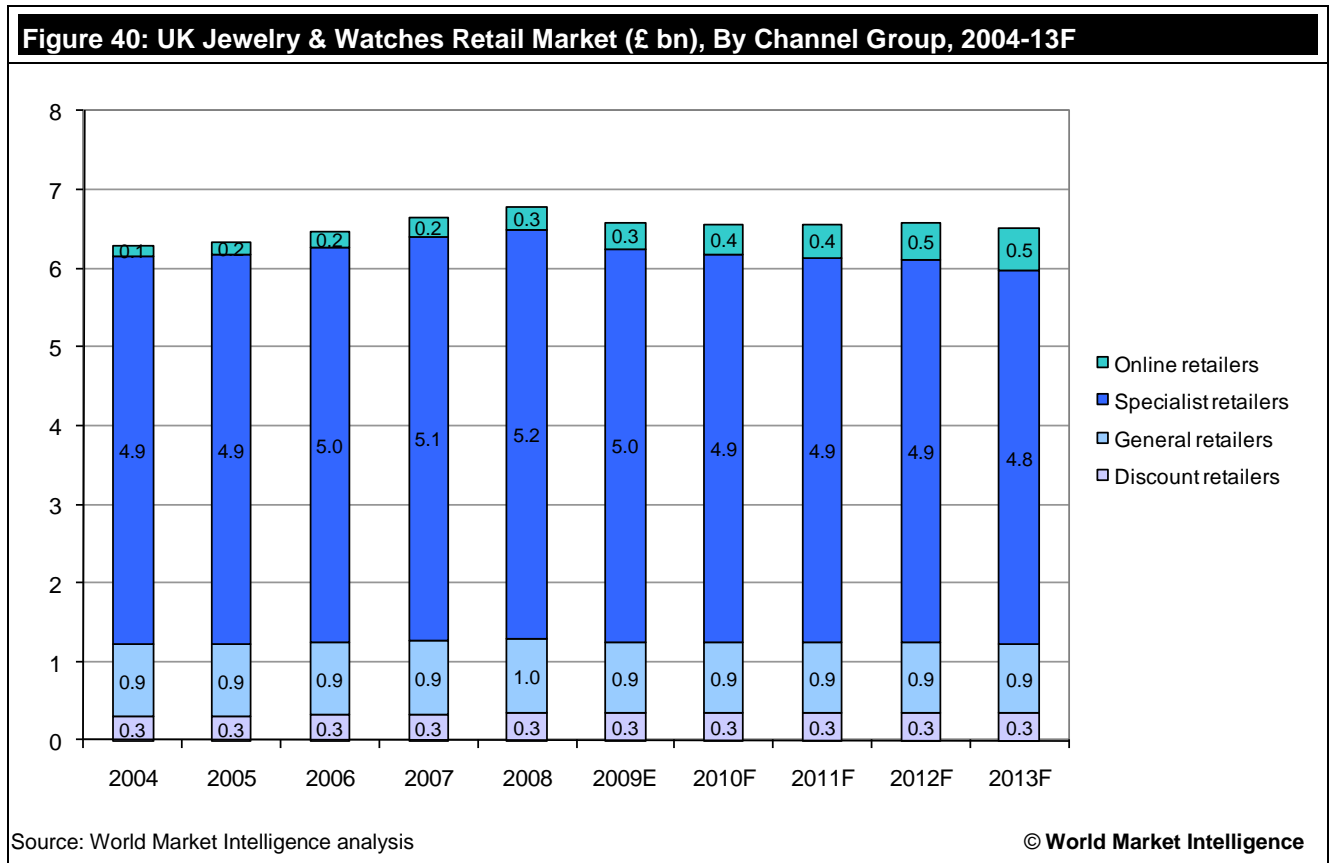


Table 107: UK Jewelry & Watches Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	3.4%	2.4%
General retailers	0.9	0.9	0.9	0.9	1.0	0.9	1.0%	-0.1%
Specialist retailers	4.9	4.9	5.0	5.1	5.2	5.0	1.3%	0.3%
Online retailers	0.1	0.2	0.2	0.2	0.3	0.3	18.4%	17.2%
Overall	6.3	6.3	6.5	6.6	6.8	6.6	1.9%	0.9%

Source: World Market Intelligence analysis © World Market Intelligence

Table 108: UK Jewelry & Watches Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	0.3%	0.8%
General retailers	1.0	0.9	0.9	0.9	0.9	0.9	-1.9%	-1.4%
Specialist retailers	5.2	5.0	4.9	4.9	4.9	4.8	-1.8%	-1.3%
Online retailers	0.3	0.3	0.4	0.4	0.5	0.5	13.2%	13.4%
Overall	6.8	6.6	6.6	6.6	6.6	6.5	-0.7%	-0.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 109: UK Jewelry & Watches Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	4.8%	5.1%	5.1%	5.3%
General retailers	14.6%	14.1%	13.9%	13.3%
Specialist retailers	78.3%	76.6%	76.0%	73.1%
Online retailers	2.3%	4.2%	4.9%	8.2%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

10.6 Luggage & Leather Goods

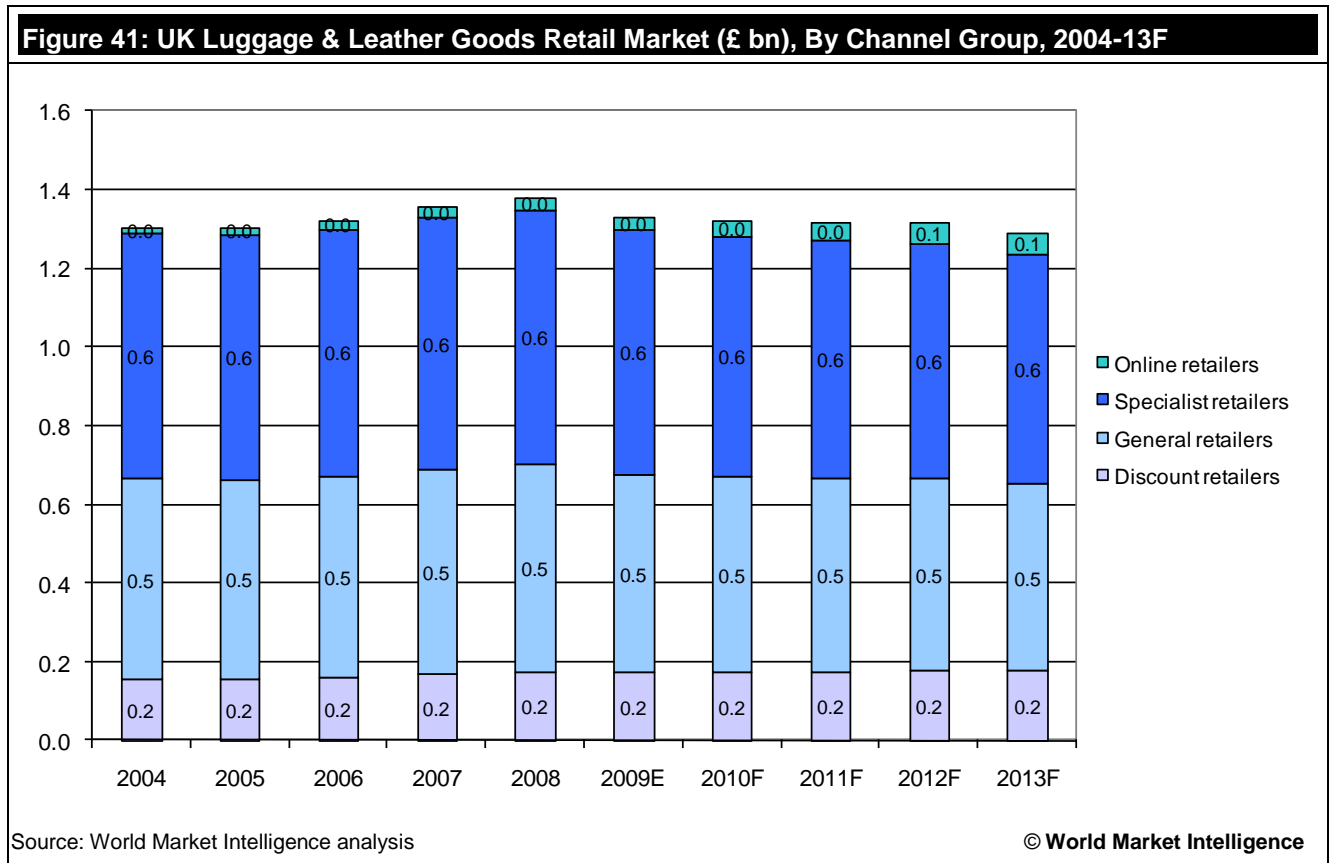


Table 110: UK Luggage & Leather Goods Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.2	0.2	0.2	0.2	0.2	0.2	3.3%	2.3%
General retailers	0.5	0.5	0.5	0.5	0.5	0.5	0.8%	-0.2%
Specialist retailers	0.6	0.6	0.6	0.6	0.6	0.6	0.9%	-0.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	18.3%	17.1%
Overall	1.3	1.3	1.3	1.4	1.4	1.3	1.4%	0.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 111: UK Luggage & Leather Goods Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.2	0.2	0.2	0.2	0.2	0.2	3.3%	2.3%
General retailers	0.5	0.5	0.5	0.5	0.5	0.5	0.8%	-0.2%
Specialist retailers	0.6	0.6	0.6	0.6	0.6	0.6	0.9%	-0.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	18.3%	17.1%
Overall	1.3	1.3	1.3	1.4	1.4	1.3	1.4%	0.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 112: UK Luggage & Leather Goods Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	0.2	0.2	0.2	0.2
General retailers	0.5	0.5	0.5	0.5
Specialist retailers	0.6	0.6	0.6	0.6
Online retailers	0.0	0.0	0.0	0.0
Overall	1.4	1.3	1.3	1.3

Source: World Market Intelligence analysis

© World Market Intelligence

11 Category Analysis: Books, News & Stationery

This chapter considers the UK books, news & stationery category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

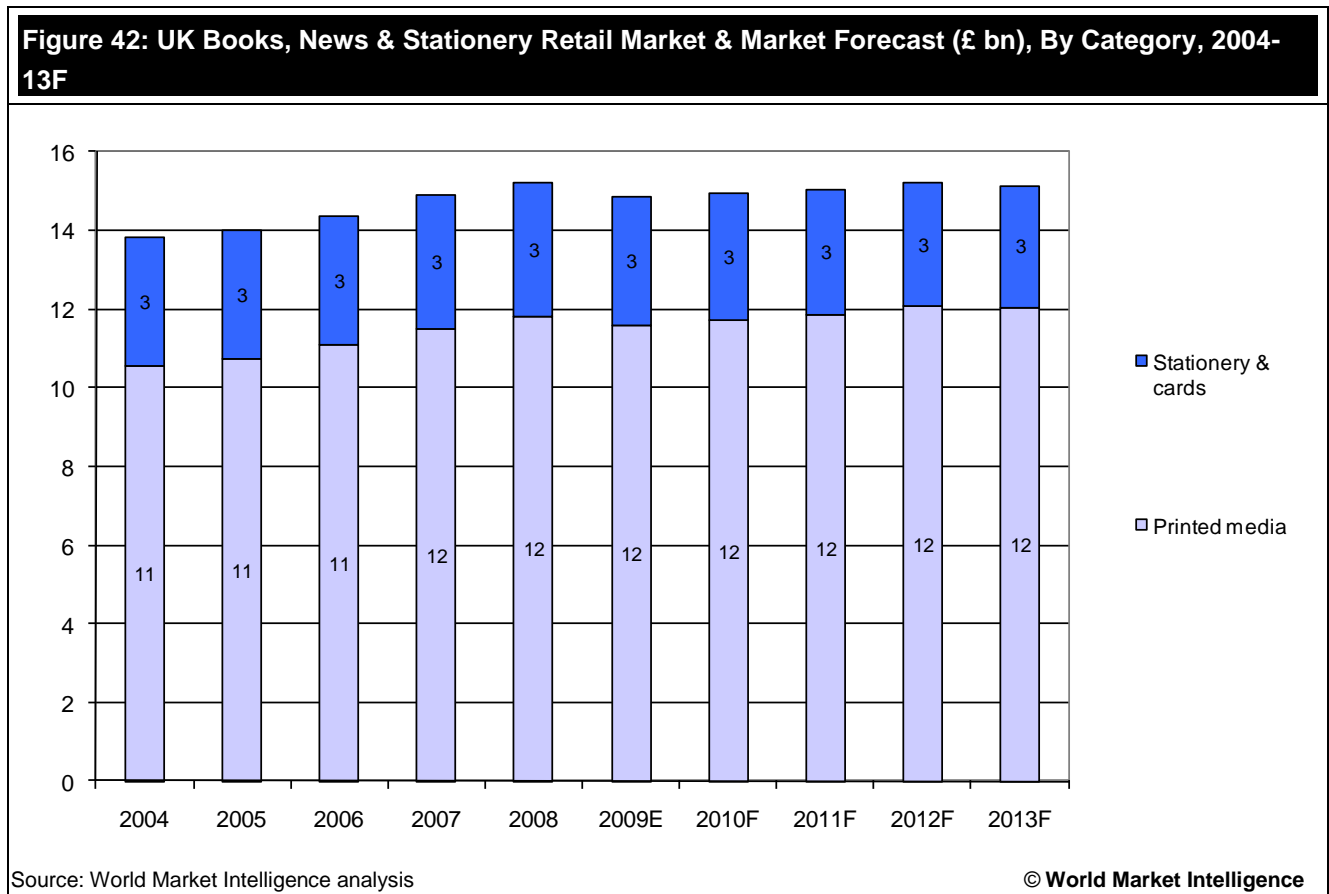
11.1 Books, News & Stationery Category Overview

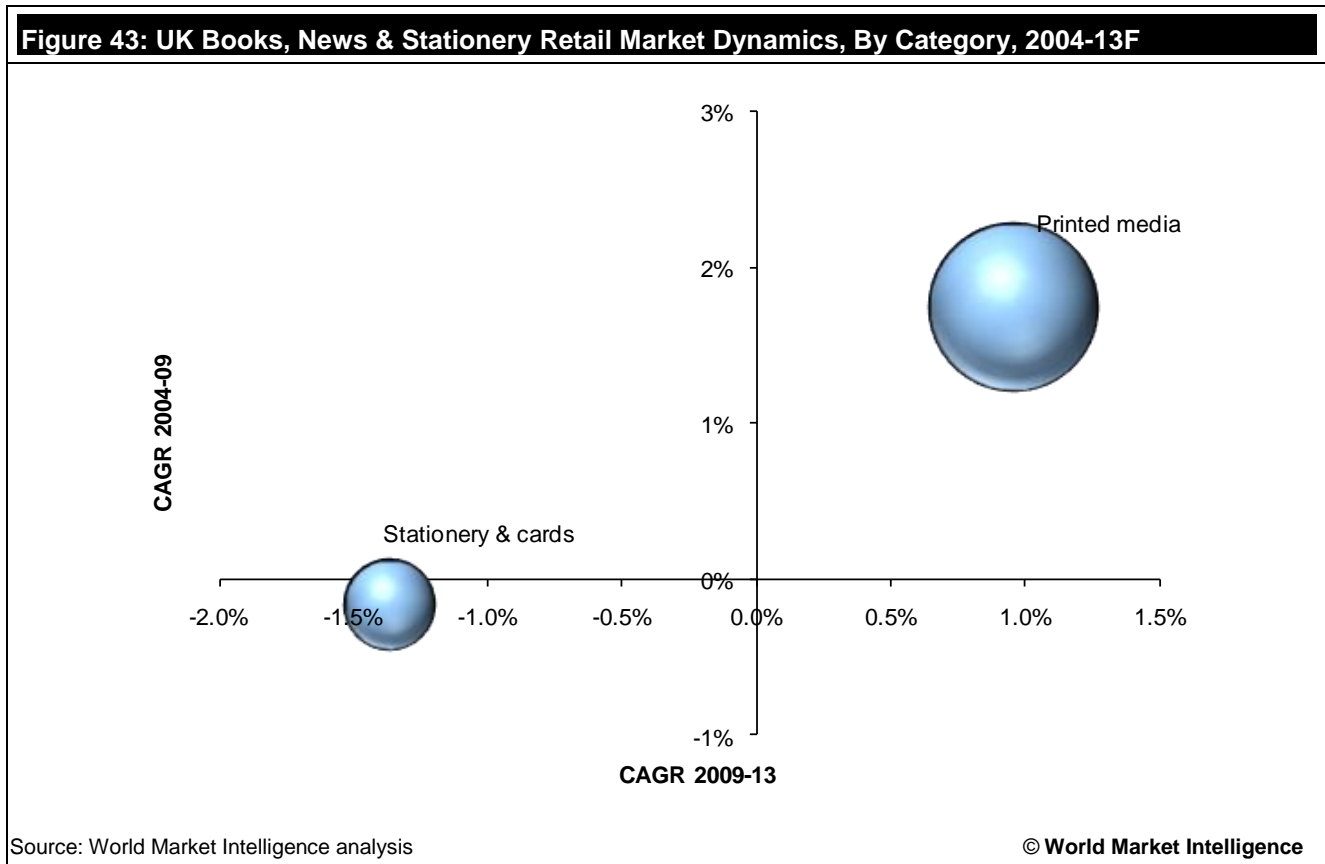
Books, news and stationery is made up of two key categories: printed media, and stationery & cards. Printed media includes all paperback, hardbound books, books sold from internet sites like Amazon, but not e-books. Books sold to libraries are excluded. Retail sales of newspapers, periodicals and magazines are included, but subscription copies are not.

Stationery includes personal stationery products like notebooks, erasers, pencils, rulers, sharpeners, writing boards, exam boards, graph books, pencil boxes, geometry boxes, notebook covers, glue sticks, maps, paper clips and binders, pencil grippers, calculators, etc sold through retail channels excluding office supplies. Cards includes seasonal and everyday cards.

11.2 Books, News & Stationery Data By Category

The following charts analyze UK books, news & stationery retail split out by category:





The following tables provide detailed data on UK books, news & stationery retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 113: UK Books, News & Stationery Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Printed media	10.6	10.7	11.1	11.5	11.8	11.6	2.8%	1.9%
Stationery & cards	3.2	3.2	3.3	3.4	3.4	3.3	1.2%	0.1%
Overall	13.8	14.0	14.4	14.9	15.2	14.9	2.4%	1.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 114: UK Books, News & Stationery Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Printed media	11.8	11.6	11.7	11.9	12.1	12.1	0.4%	1.0%
Stationery & cards	3.4	3.3	3.2	3.2	3.2	3.1	-1.9%	-1.4%
Overall	15.2	14.9	14.9	15.1	15.2	15.1	-0.1%	0.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 115: UK Books, News & Stationery Retail Market Segmentation (% value), By Category, 2004-2013				
Category	2004	2008	2009E	2013F
Printed media	76.6%	76.8%	77.1%	77.4%
Stationery & cards	23.4%	23.2%	22.9%	22.6%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 116: UK Books, News & Stationery Retail Market (US\$ bn), By Category, 2004-09E								
Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Printed media	19.6	19.9	20.5	21.4	21.9	21.5	2.8%	1.9%
Stationery & cards	6.0	6.0	6.1	6.2	6.3	6.0	1.2%	0.1%
Overall	25.6	25.9	26.7	27.6	28.2	27.6	2.4%	1.5%

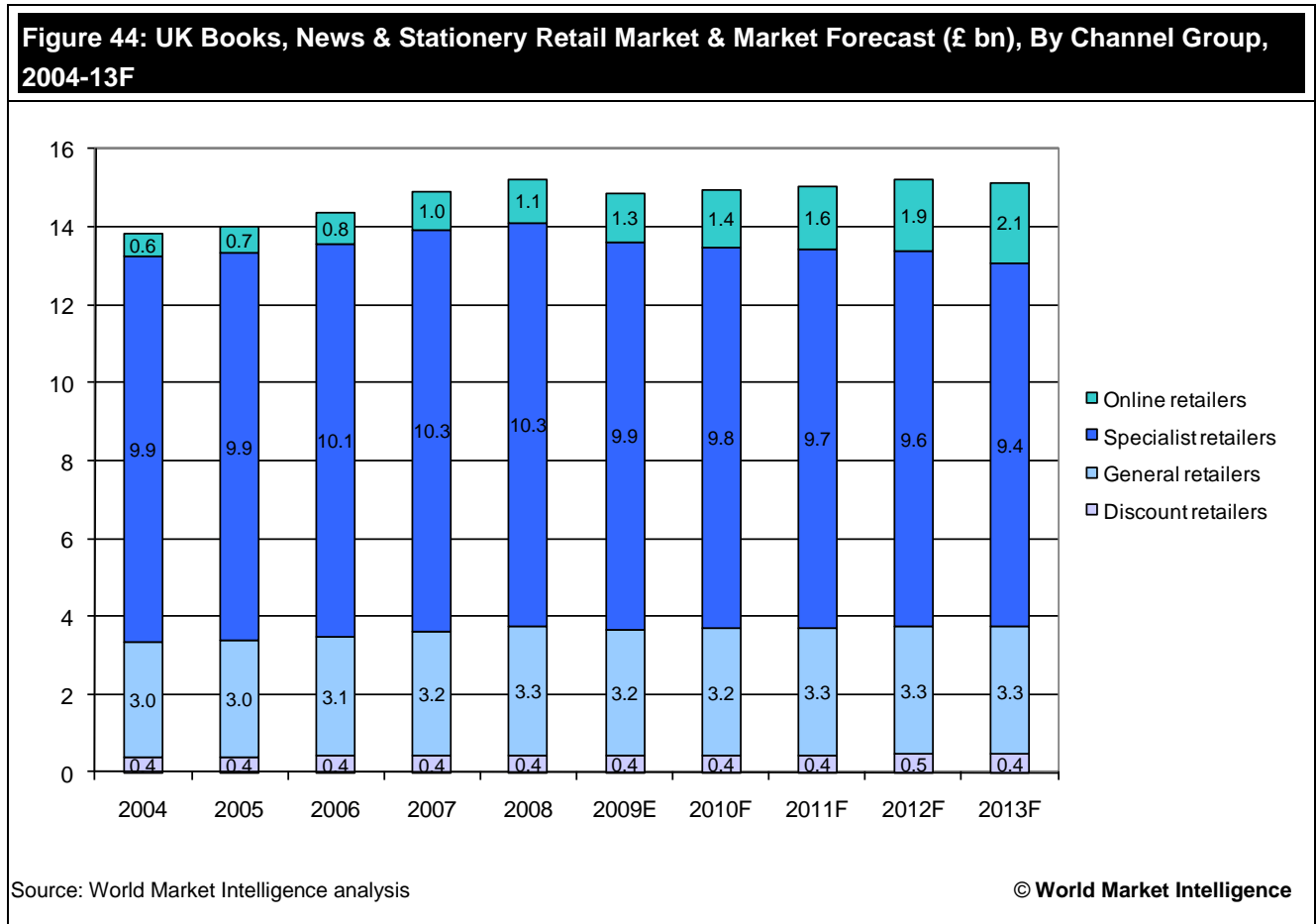
Source: World Market Intelligence analysis © World Market Intelligence

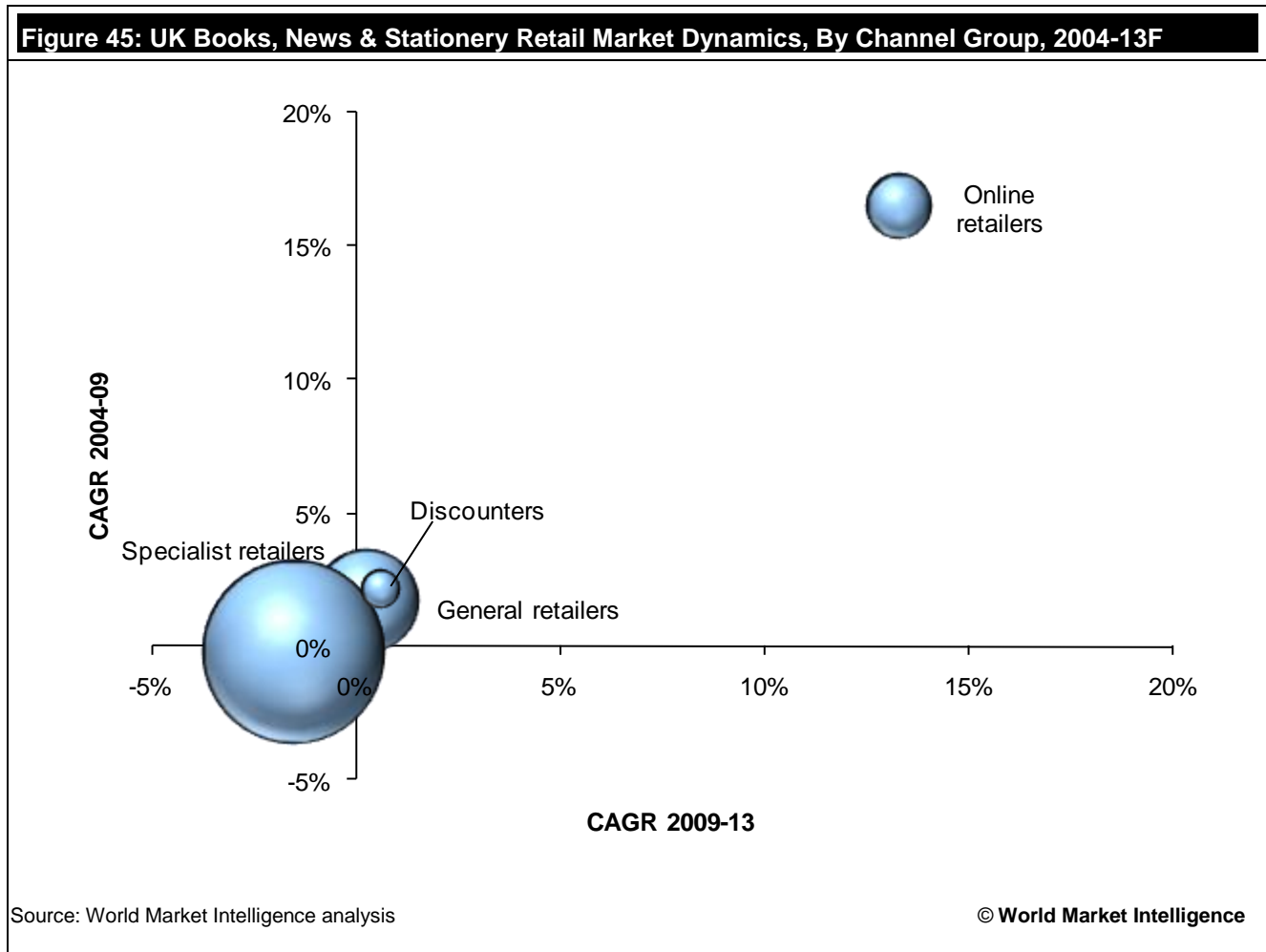
Table 117: UK Books, News & Stationery Retail Market Forecast (US\$ bn), By Category, 2008-2013								
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Printed media	21.9	21.5	21.7	22.0	22.4	22.4	0.4%	1.0%
Stationery & cards	6.3	6.0	6.0	5.9	5.9	5.7	-1.9%	-1.4%
Overall	28.2	27.6	27.7	27.9	28.2	28.1	-0.1%	0.5%

Source: World Market Intelligence analysis © World Market Intelligence

11.3 Books, News & Stationery Data By Channel Group

The following charts analyze UK books, news & stationery retail split out by channel group:





The following tables provide detailed data on UK books, news & stationery retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 118: UK Books, News & Stationery Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.4	0.4	0.4	0.4	0.4	0.4	3.2%	2.2%
General retailers	3.0	3.0	3.1	3.2	3.3	3.2	2.8%	1.8%
Specialist retailers	9.9	9.9	10.1	10.3	10.3	9.9	1.1%	0.1%
Online retailers	0.6	0.7	0.8	1.0	1.1	1.3	18.3%	17.1%
Overall	13.8	14.0	14.4	14.9	15.2	14.9	2.4%	1.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 119: UK Books, News & Stationery Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.4	0.4	0.4	0.4	0.5	0.4	0.1%	0.6%
General retailers	3.3	3.2	3.2	3.3	3.3	3.3	-0.2%	0.3%
Specialist retailers	10.3	9.9	9.8	9.7	9.6	9.4	-2.0%	-1.5%
Online retailers	1.1	1.3	1.4	1.6	1.9	2.1	13.1%	13.3%
Overall	15.2	14.9	14.9	15.1	15.2	15.1	0.0%	-0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 120: UK Books, News & Stationery Retail Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	2.8%	2.9%	2.9%	3.0%
General retailers	21.4%	21.7%	21.8%	21.6%
Specialist retailers	71.6%	68.0%	66.9%	61.8%
Online retailers	4.1%	7.3%	8.4%	13.6%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 121: UK Books, News & Stationery Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.7	0.7	0.8	0.8	0.8	0.8	3.2%	2.2%
General retailers	5.5	5.6	5.7	5.9	6.1	6.0	2.8%	1.8%
Specialist retailers	18.4	18.4	18.7	19.1	19.2	18.4	1.1%	0.1%
Online retailers	1.1	1.2	1.5	1.8	2.1	2.3	18.3%	17.1%
Overall	25.6	25.9	26.7	27.6	28.2	27.6	2.4%	1.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 122: UK Books, News & Stationery Retail Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.8	0.8	0.8	0.8	0.8	0.8	0.1%	0.6%
General retailers	6.1	6.0	6.0	6.1	6.1	6.1	-0.2%	0.3%
Specialist retailers	19.2	18.4	18.2	18.0	17.8	17.4	-2.0%	-1.5%
Online retailers	2.1	2.3	2.7	3.0	3.4	3.8	13.1%	13.3%
Overall	28.2	27.6	27.7	27.9	28.2	28.1	0.0%	-0.1%

Source: World Market Intelligence analysis © World Market Intelligence

11.4 Printed Media

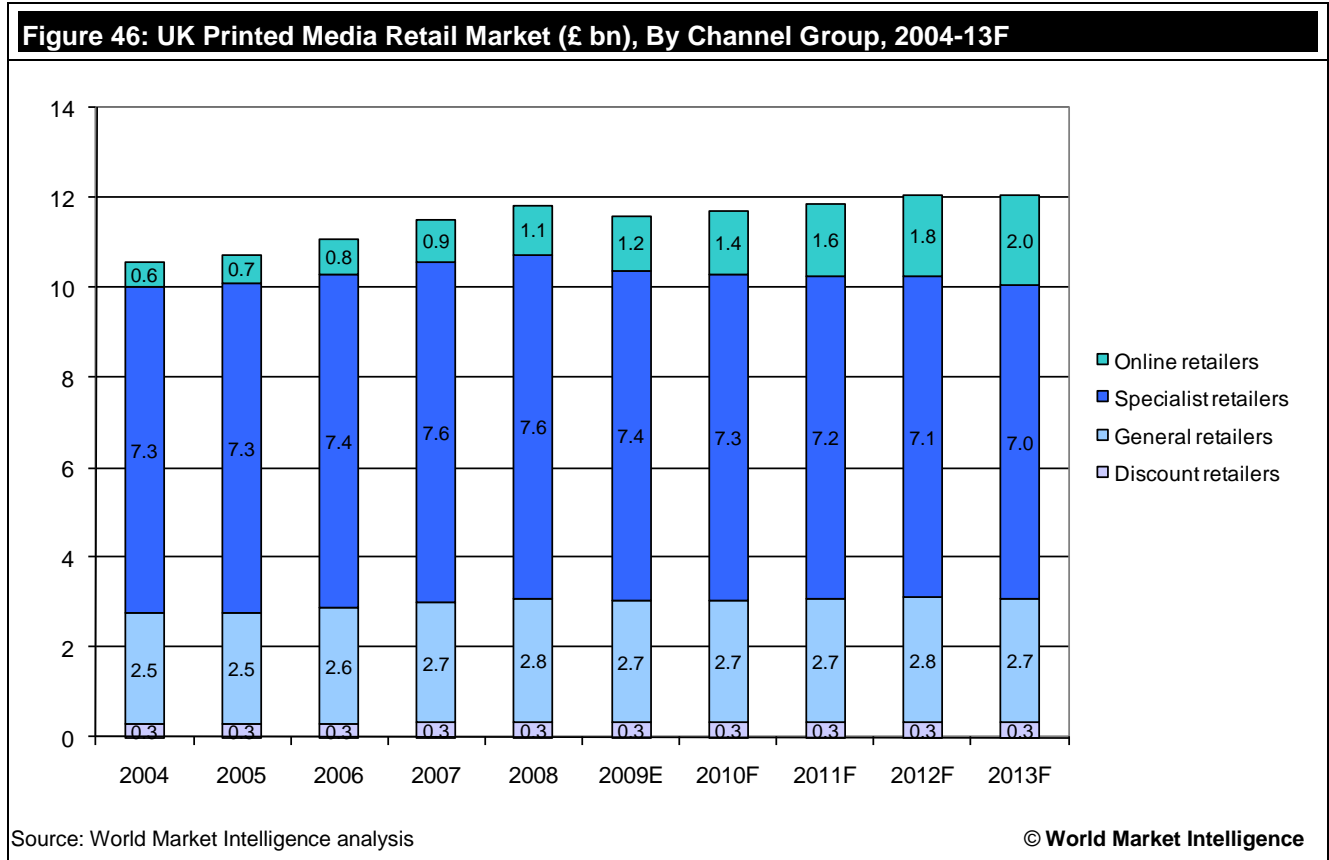


Table 123: UK Printed Media Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	3.4%	2.3%
General retailers	2.5	2.5	2.6	2.7	2.8	2.7	3.0%	1.9%
Specialist retailers	7.3	7.3	7.4	7.6	7.6	7.4	1.3%	0.2%
Online retailers	0.6	0.7	0.8	0.9	1.1	1.2	18.4%	17.1%
Overall	10.6	10.7	11.1	11.5	11.8	11.6	2.8%	1.9%

Source: World Market Intelligence analysis © World Market Intelligence

Table 124: UK Printed Media Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	0.2%	0.8%
General retailers	2.8	2.7	2.7	2.7	2.8	2.7	-0.1%	0.4%
Specialist retailers	7.6	7.4	7.3	7.2	7.1	7.0	-1.9%	-1.4%
Online retailers	1.1	1.2	1.4	1.6	1.8	2.0	13.1%	13.3%
Overall	11.8	11.6	11.7	11.9	12.1	12.1	0.5%	0.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 125: UK Printed Media Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	2.8%	2.8%	2.8%	2.8%
General retailers	23.2%	23.3%	23.3%	22.8%
Specialist retailers	68.8%	64.7%	63.4%	57.7%
Online retailers	5.2%	9.2%	10.5%	16.6%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

11.5 Stationery & Cards

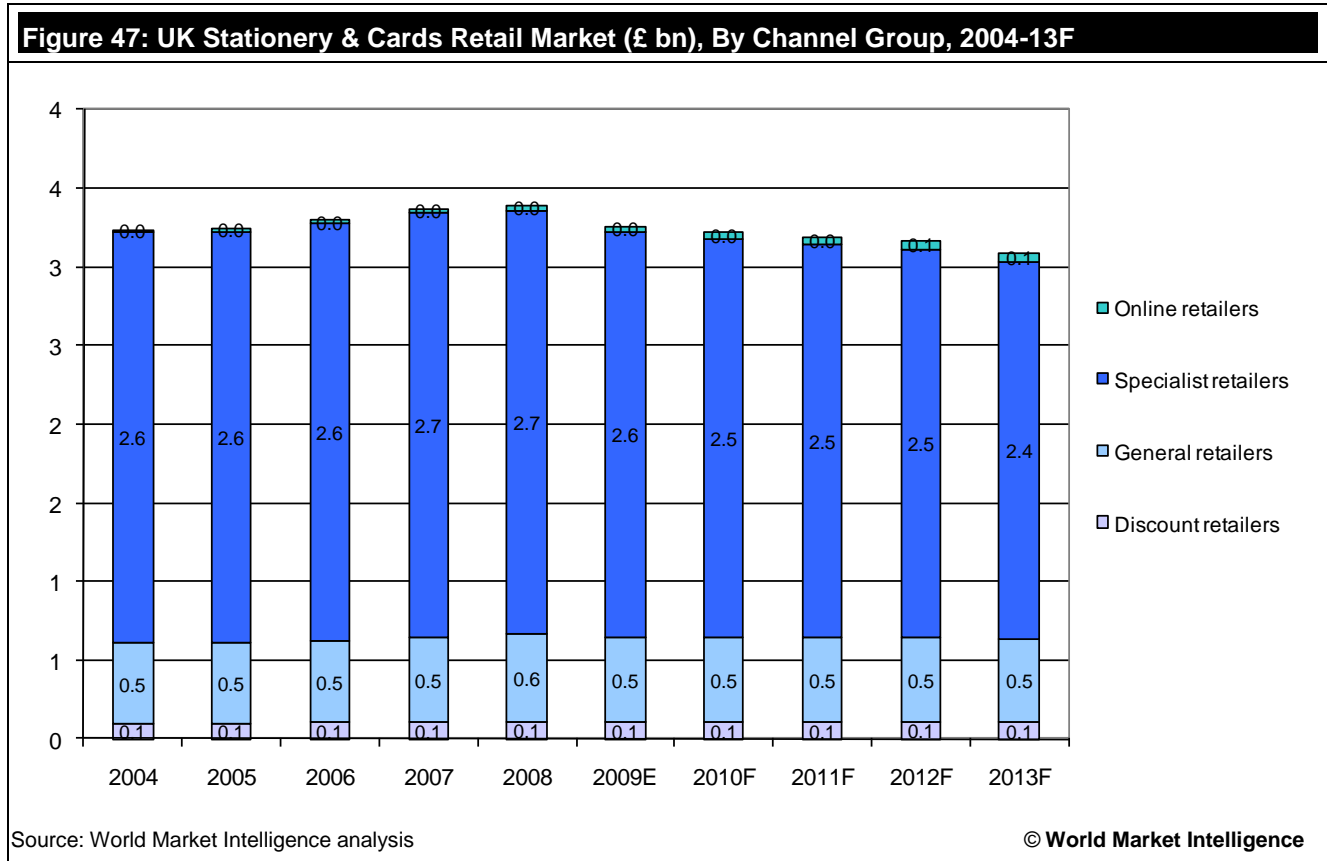


Table 126: UK Stationery & Cards Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	2.9%	1.9%
General retailers	0.5	0.5	0.5	0.5	0.6	0.5	2.1%	1.0%
Specialist retailers	2.6	2.6	2.6	2.7	2.7	2.6	0.8%	-0.2%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	17.9%	16.7%
Overall	3.2	3.2	3.3	3.4	3.4	3.3	1.2%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 127: UK Stationery & Cards Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	-0.2%	0.3%
General retailers	0.6	0.5	0.5	0.5	0.5	0.5	-0.9%	-0.4%
Specialist retailers	2.7	2.6	2.5	2.5	2.5	2.4	-2.4%	-1.9%
Online retailers	0.0	0.0	0.0	0.0	0.1	0.1	12.7%	12.9%
Overall	3.4	3.3	3.2	3.2	3.2	3.1	-1.7%	-1.9%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 128: UK Stationery & Cards Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	3.0%	3.2%	3.3%	3.5%
General retailers	15.7%	16.3%	16.4%	17.1%
Specialist retailers	80.8%	79.6%	79.2%	77.6%
Online retailers	0.5%	0.9%	1.1%	1.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

12 Category Analysis: Electricals & Electronics

This chapter considers the UK electricals & electronics category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

12.1 Electricals & Electronics Category Overview

Electricals & electronics consists of communications equipment; computer hardware; consumer electronics; household appliances; and photographic equipment.

Communications equipment includes retail sales only of answer machines, fax machines, fixed-line telephones, mobile phone accessories and mobile phones. Mobile phones are measured at the price paid by consumers, and hence in the heavily subsidized UK handset market the figure is an order of magnitude smaller that which would be given by volume of handsets shipped multiplied by unsubsidized retail price.

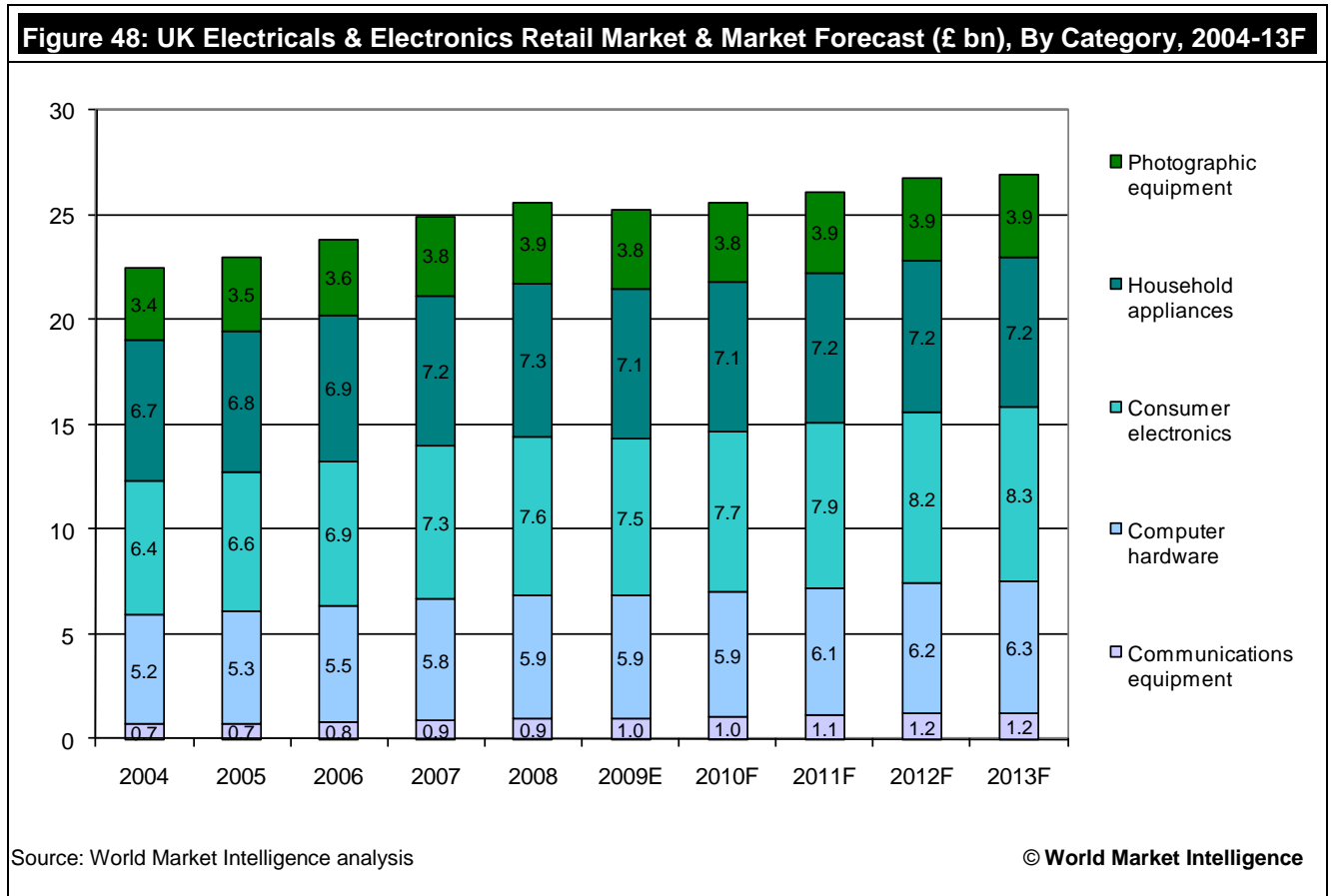
Computer hardware includes retail sales only of desktops and laptop computers, memory sticks, CD packs, hard disks and other data storage devices, computer peripherals, PDAs, organizers, calculators and satellite navigation systems. Consumer electronics includes CD players, DVD players/recorders, hi-fi systems, home theatre, in-car entertainment systems, portable digital audio, radios, televisions and video recorders, home use and portable games consoles

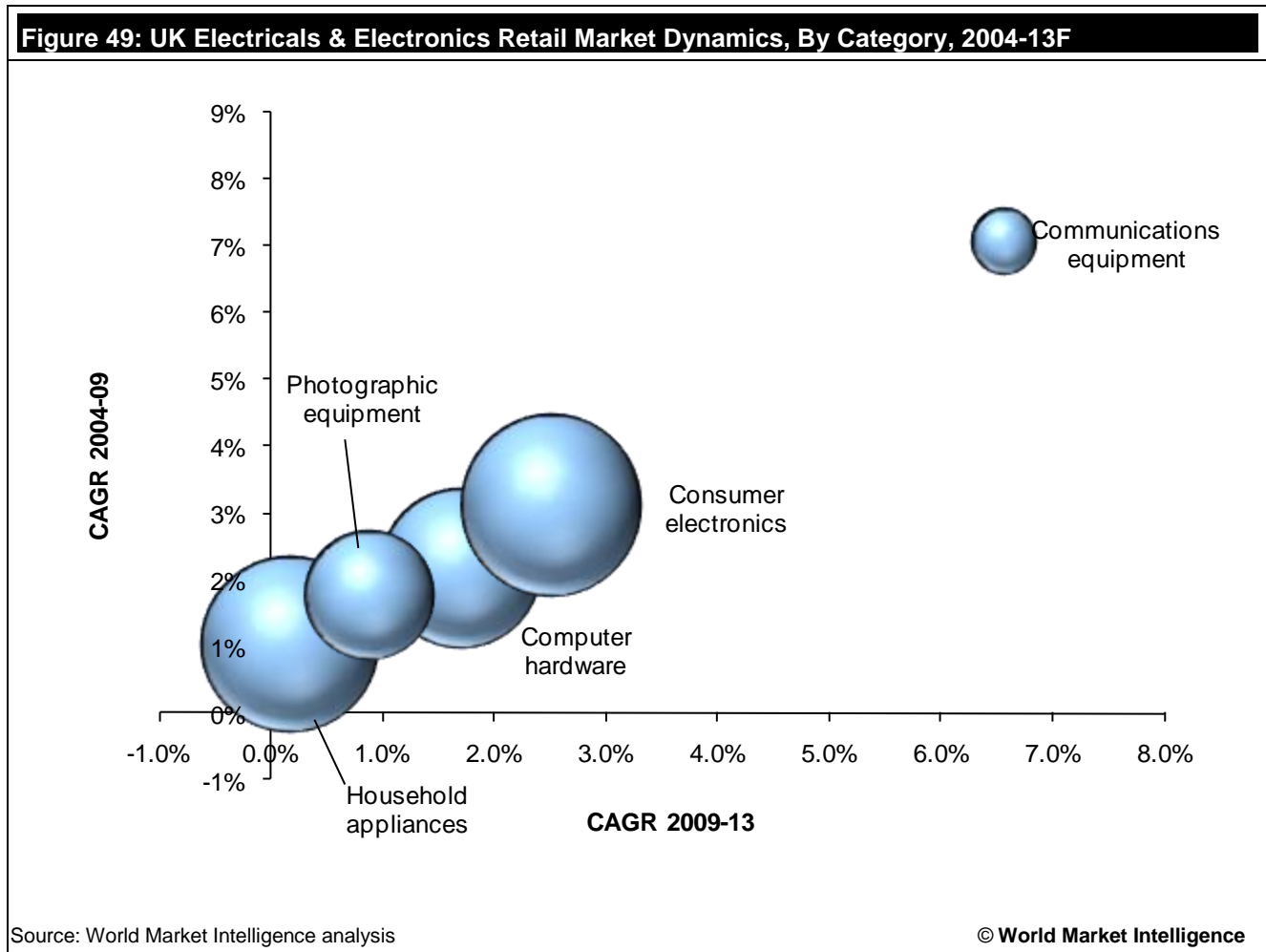
Household appliances includes major domestic appliances (air conditioners, dishwashers, dryers, freezers, hobs and extractors, microwave ovens, refrigerators, stoves, vacuum cleaners and washing machines) plus minor domestic appliances (blenders, coffee machines, deep fryers, food processors, grills, hair products, hair trimmers, curling tongs, razors, hand-held mixers, irons, juicers, kettles, stand mixers, toasters, sun lamps and fans).

Photographic equipment includes camcorders, cameras, projectors, camera & camcorder accessories, binoculars & telescopes.

12.2 Electricals & Electronics Data By Category

The following charts analyze UK electricals & electronics retail split out by category:





The following tables provide detailed data on UK electricals & electronics retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 129: UK Electricals & Electronics Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Communications equipment	0.7	0.7	0.8	0.9	0.9	1.0	7.9%	7.0%
Computer hardware	5.2	5.3	5.5	5.8	5.9	5.9	3.2%	2.3%
Consumer electronics	6.4	6.6	6.9	7.3	7.6	7.5	4.2%	3.2%
Household appliances	6.7	6.8	6.9	7.2	7.3	7.1	2.2%	1.2%
Photographic equipment	3.4	3.5	3.6	3.8	3.9	3.8	3.0%	2.0%
Overall	22.5	23.0	23.8	25.0	25.6	25.2	3.3%	2.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 130: UK Electricals & Electronics Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Communications equipment	0.9	1.0	1.0	1.1	1.2	1.2	5.9%	6.6%
Computer hardware	5.9	5.9	5.9	6.1	6.2	6.3	1.1%	1.7%
Consumer electronics	7.6	7.5	7.7	7.9	8.2	8.3	1.9%	2.5%
Household appliances	7.3	7.1	7.1	7.2	7.2	7.2	-0.4%	0.2%
Photographic equipment	3.9	3.8	3.8	3.9	3.9	3.9	0.3%	0.9%
Overall	25.6	25.2	25.6	26.1	26.7	26.9	1.0%	1.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 131: UK Electricals & Electronics Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Communications equipment	3.1%	3.2%	3.3%	3.5%
Computer hardware	23.3%	23.3%	23.3%	23.2%
Consumer electronics	28.6%	28.8%	29.0%	29.3%
Household appliances	29.8%	29.5%	29.2%	28.8%
Photographic equipment	15.3%	15.3%	15.2%	15.2%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 132: UK Electricals & Electronics Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Communications equipment	1.3	1.4	1.5	1.6	1.7	1.8	7.9%	7.0%
Computer hardware	9.7	9.9	10.3	10.8	11.0	10.9	3.2%	2.3%
Consumer electronics	11.9	12.3	12.8	13.6	14.0	14.0	4.2%	3.2%
Household appliances	12.4	12.6	12.9	13.3	13.5	13.2	2.2%	1.2%
Photographic equipment	6.4	6.5	6.7	7.0	7.2	7.0	3.0%	2.0%
Overall	41.6	42.6	44.2	46.3	47.4	46.8	3.3%	2.4%

Source: World Market Intelligence analysis

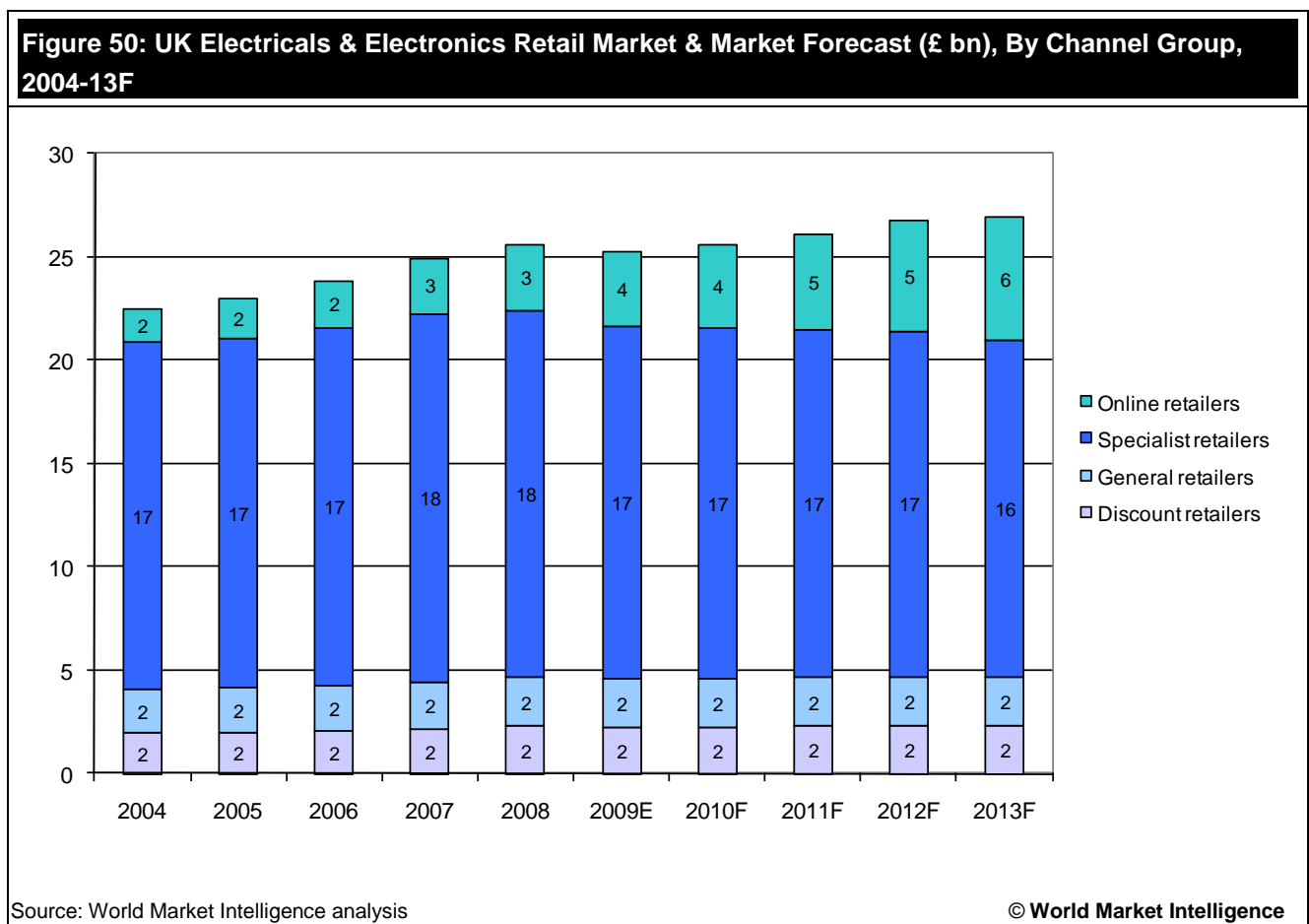
© World Market Intelligence

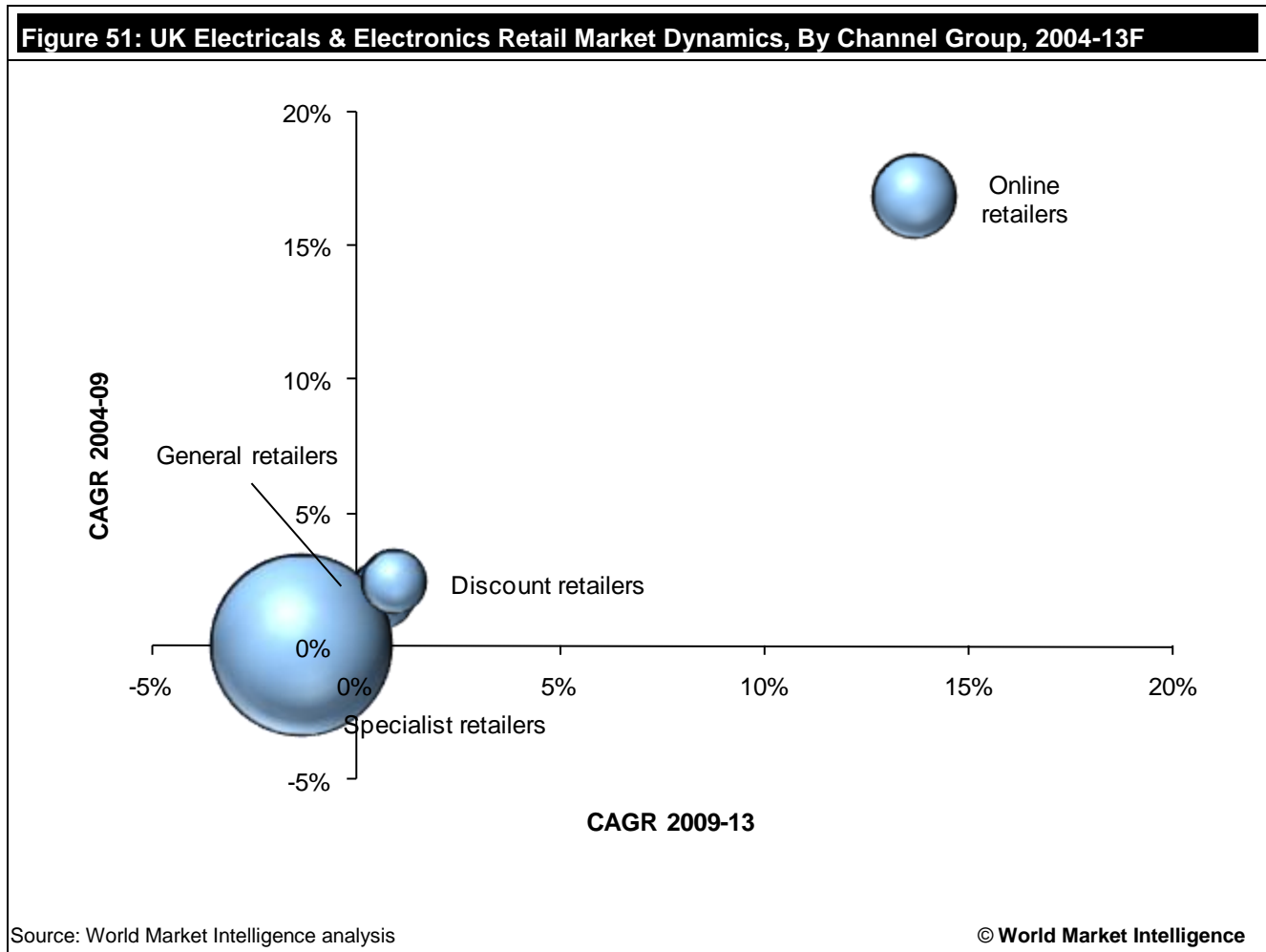
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Communications equipment	1.7	1.8	1.9	2.0	2.2	2.3	5.9%	6.6%
Computer hardware	11.0	10.9	11.0	11.3	11.5	11.6	1.1%	1.7%
Consumer electronics	14.0	14.0	14.3	14.7	15.2	15.4	1.9%	2.5%
Household appliances	13.5	13.2	13.2	13.3	13.4	13.3	-0.4%	0.2%
Photographic equipment	7.2	7.0	7.1	7.2	7.3	7.3	0.3%	0.9%
Overall	47.4	46.8	47.5	48.5	49.6	49.9	1.0%	1.6%

Source: World Market Intelligence analysis © World Market Intelligence

12.3 Electricals & Electronics Data By Channel Group

The following charts analyze UK electricals & electronics retail split out by channel group:





The following tables provide detailed data on UK electricals & electronics retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 134: UK Electricals & Electronics Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	2.0	2.0	2.1	2.2	2.3	2.2	3.5%	2.5%
General retailers	2.1	2.1	2.2	2.3	2.4	2.3	3.0%	2.0%
Specialist retailers	16.8	16.9	17.3	17.8	17.8	17.1	1.4%	0.4%
Online retailers	1.6	1.9	2.3	2.7	3.2	3.6	18.7%	17.5%
Overall	22.5	23.0	23.8	25.0	25.6	25.2	3.3%	2.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 135: UK Electricals & Electronics Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	2.3	2.2	2.3	2.3	2.3	2.3	0.4%	1.0%
General retailers	2.4	2.3	2.3	2.3	2.4	2.4	0.1%	0.6%
Specialist retailers	17.8	17.1	16.9	16.8	16.7	16.3	-1.8%	-1.3%
Online retailers	3.2	3.6	4.1	4.7	5.3	5.9	13.5%	13.7%
Overall	25.6	25.2	25.6	26.1	26.7	26.9	1.1%	1.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 136: UK Electricals & Electronics Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	8.8%	8.9%	8.9%	8.6%
General retailers	9.3%	9.2%	9.1%	8.8%
Specialist retailers	74.8%	69.5%	67.9%	60.5%
Online retailers	7.1%	12.3%	14.1%	22.1%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 137: UK Electricals & Electronics Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	3.7	3.7	3.9	4.1	4.2	4.2	3.5%	2.5%
General retailers	3.9	3.9	4.0	4.2	4.4	4.3	3.0%	2.0%
Specialist retailers	31.2	31.4	32.1	33.0	33.0	31.8	1.4%	0.4%
Online retailers	2.9	3.5	4.2	5.0	5.9	6.6	18.7%	17.5%
Overall	41.6	42.6	44.2	46.3	47.4	46.8	3.3%	2.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 138: UK Electricals & Electronics Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	4.2	4.2	4.2	4.3	4.3	4.3	0.4%	1.0%
General retailers	4.4	4.3	4.3	4.4	4.4	4.4	0.1%	0.6%
Specialist retailers	33.0	31.8	31.4	31.2	30.9	30.2	-1.8%	-1.3%
Online retailers	5.9	6.6	7.6	8.7	9.9	11.0	13.5%	13.7%
Overall	47.4	46.8	47.5	48.5	49.6	49.9	1.1%	1.0%

Source: World Market Intelligence analysis © World Market Intelligence

12.4 Communications Equipment

Note: due to the small size of this market all data has been entered in millions of currency units

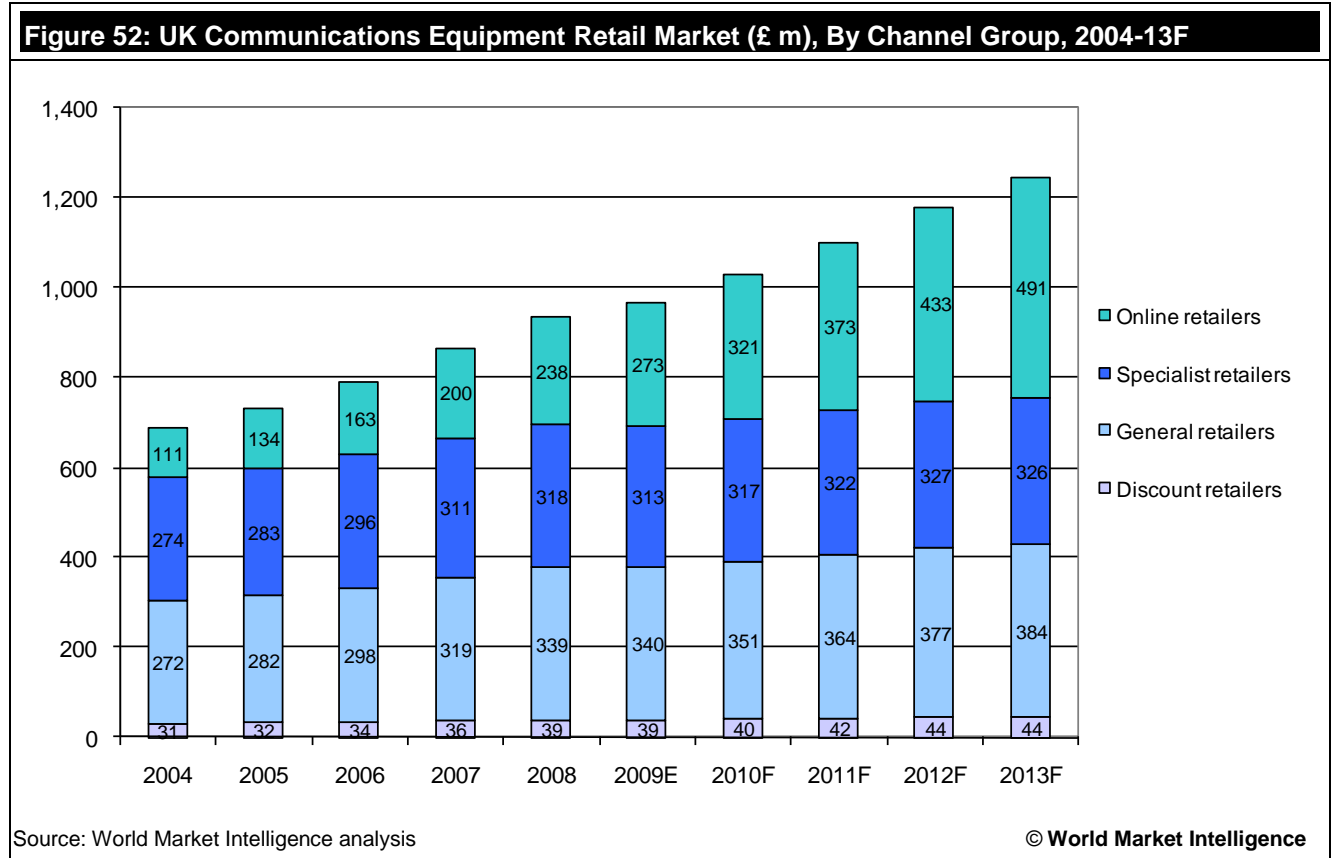


Table 139: UK Communications Equipment Retail Market (£ m), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	30.9	32.1	34.1	36.5	38.9	30.9	5.9%	4.8%
General retailers	271.8	282.2	298.4	318.7	338.9	271.8	5.7%	4.6%
Specialist retailers	274.4	283.3	296.1	311.1	318.0	274.4	3.8%	2.7%
Online retailers	111.2	134.4	163.5	200.2	237.6	111.2	20.9%	19.7%
Overall	688.3	732.0	792.0	866.5	933.3	688.3	7.9%	7.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 140: UK Communications Equipment Retail Market Forecast (£ m), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	38.9	39.1	40.5	42.0	43.6	44.5	2.7%	3.3%
General retailers	338.9	340.2	351.4	363.6	377.0	384.0	2.5%	3.1%
Specialist retailers	318.0	313.5	316.9	321.7	326.7	325.8	0.5%	1.0%
Online retailers	237.6	272.7	320.6	372.9	432.8	491.4	15.6%	15.9%
Overall	933.3	965.6	1,029.3	1,100.1	1,180.1	1,245.7	6.0%	5.9%

Source: World Market Intelligence analysis © World Market Intelligence

Table 141: UK Communications Equipment Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	4.5%	4.2%	4.1%	3.6%
General retailers	39.5%	36.3%	35.2%	30.8%
Specialist retailers	39.9%	34.1%	32.5%	26.2%
Online retailers	16.2%	25.5%	28.2%	39.4%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

12.5 Computer Hardware

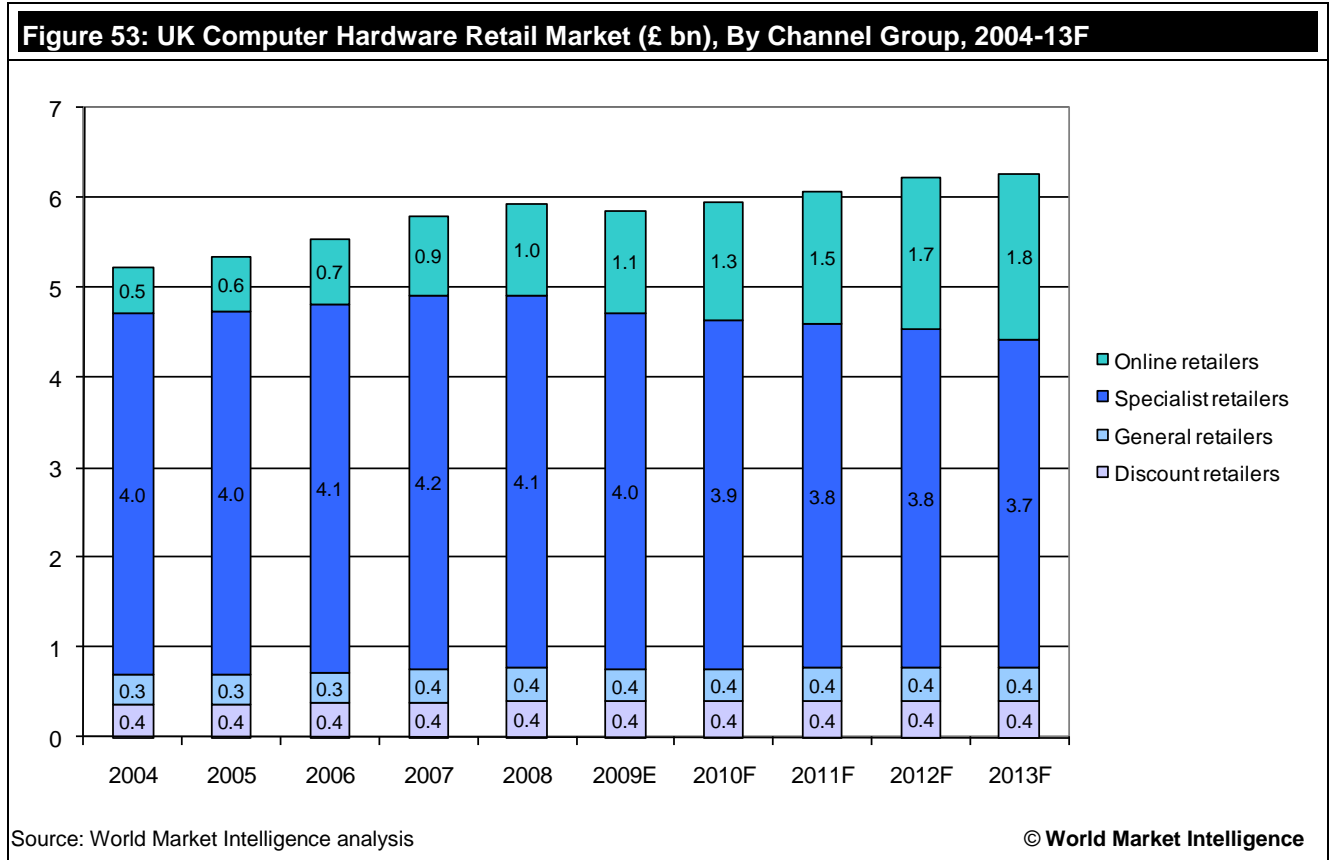


Table 142: UK Computer Hardware Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.4	0.4	0.4	0.4	0.4	0.4	2.9%	1.9%
General retailers	0.3	0.3	0.3	0.4	0.4	0.4	2.7%	1.7%
Specialist retailers	4.0	4.0	4.1	4.2	4.1	4.0	0.8%	-0.3%
Online retailers	0.5	0.6	0.7	0.9	1.0	1.1	17.9%	16.7%
Overall	5.2	5.3	5.5	5.8	5.9	5.9	3.2%	2.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 143: UK Computer Hardware Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.4	0.4	0.4	0.4	0.4	0.4	-0.2%	0.3%
General retailers	0.4	0.4	0.4	0.4	0.4	0.4	-0.4%	0.2%
Specialist retailers	4.1	4.0	3.9	3.8	3.8	3.7	-2.5%	-2.0%
Online retailers	1.0	1.1	1.3	1.5	1.7	1.8	12.7%	12.9%
Overall	5.9	5.9	5.9	6.1	6.2	6.3	1.2%	1.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 144: UK Computer Hardware Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	6.9%	6.8%	6.8%	6.4%
General retailers	6.4%	6.3%	6.2%	5.8%
Specialist retailers	76.7%	69.8%	67.6%	58.3%
Online retailers	10.0%	17.1%	19.4%	29.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

12.6 Consumer Electronics

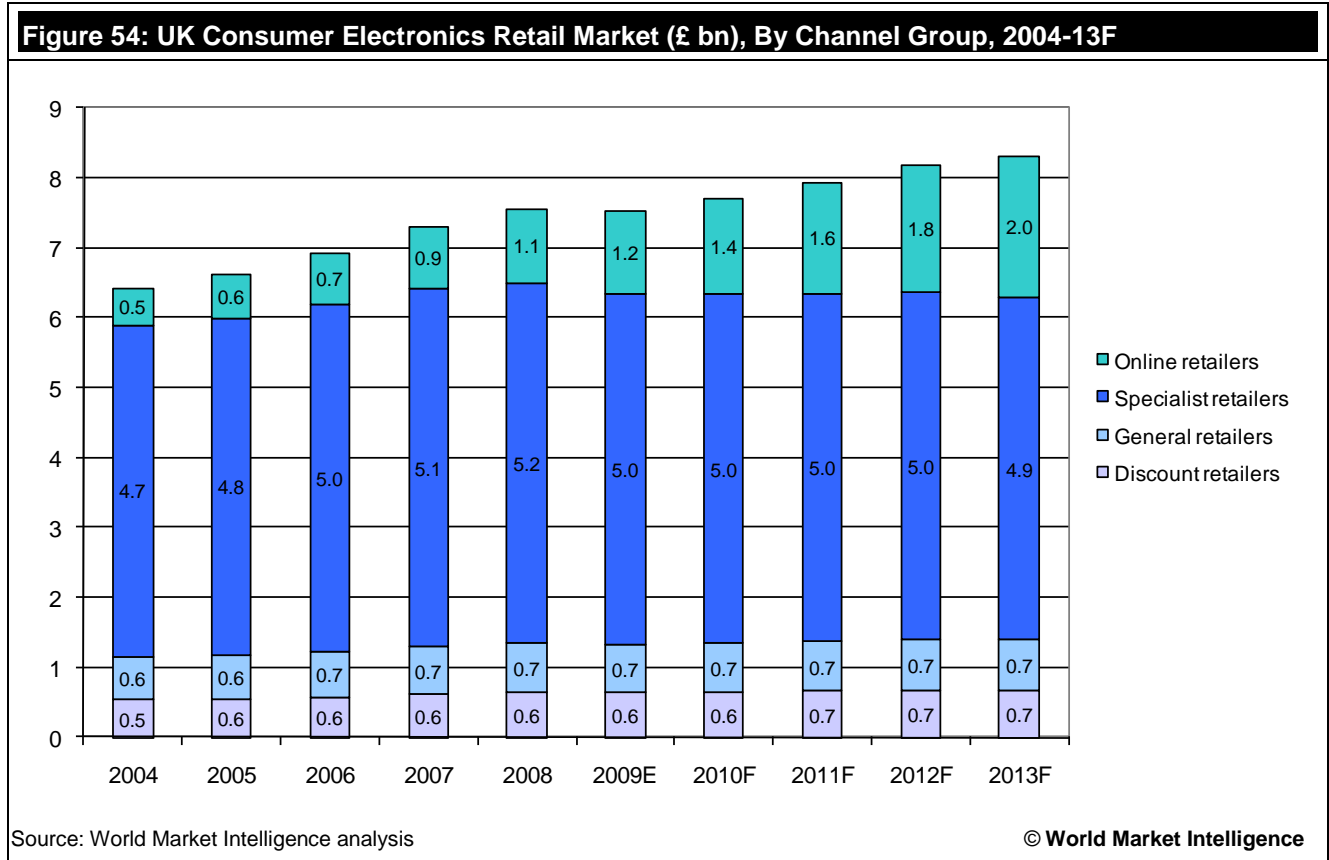


Table 145: UK Consumer Electronics Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.5	0.6	0.6	0.6	0.6	0.6	4.3%	3.2%
General retailers	0.6	0.6	0.7	0.7	0.7	0.7	3.3%	2.2%
Specialist retailers	4.7	4.8	5.0	5.1	5.2	5.0	2.2%	1.1%
Online retailers	0.5	0.6	0.7	0.9	1.1	1.2	19.3%	18.1%
Overall	6.4	6.6	6.9	7.3	7.6	7.5	4.2%	3.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 146: UK Consumer Electronics Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.6	0.6	0.6	0.7	0.7	0.7	1.2%	1.7%
General retailers	0.7	0.7	0.7	0.7	0.7	0.7	0.3%	0.9%
Specialist retailers	5.2	5.0	5.0	5.0	5.0	4.9	-1.1%	-0.6%
Online retailers	1.1	1.2	1.4	1.6	1.8	2.0	14.1%	14.3%
Overall	7.6	7.5	7.7	7.9	8.2	8.3	2.0%	1.9%

Source: World Market Intelligence analysis © World Market Intelligence

Table 147: UK Consumer Electronics Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	8.4%	8.4%	8.4%	8.1%
General retailers	9.7%	9.3%	9.2%	8.6%
Specialist retailers	73.9%	68.3%	66.6%	58.8%
Online retailers	8.1%	13.9%	15.8%	24.4%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

12.7 Household Appliances

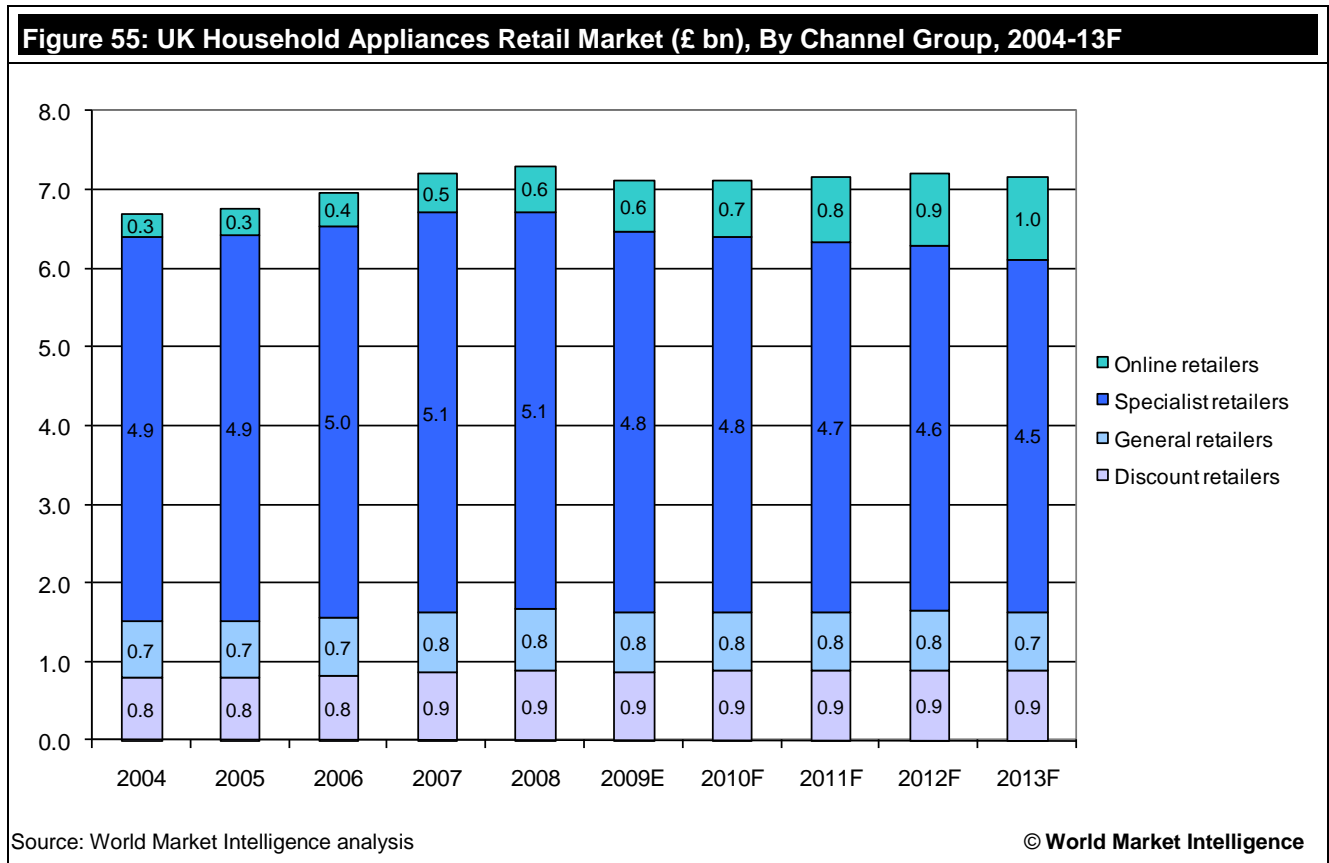


Table 148: UK Household Appliances Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.8	0.8	0.8	0.9	0.9	0.9	3.0%	2.0%
General retailers	0.7	0.7	0.7	0.8	0.8	0.8	2.0%	1.0%
Specialist retailers	4.9	4.9	5.0	5.1	5.1	4.8	0.9%	-0.2%
Online retailers	0.3	0.3	0.4	0.5	0.6	0.6	18.0%	16.8%
Overall	6.7	6.8	6.9	7.2	7.3	7.1	2.2%	1.2%

Source: World Market Intelligence analysis © World Market Intelligence

Table 149: UK Household Appliances Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.9	0.9	0.9	0.9	0.9	0.9	-0.1%	0.4%
General retailers	0.8	0.8	0.8	0.8	0.8	0.7	-0.9%	-0.4%
Specialist retailers	5.1	4.8	4.8	4.7	4.6	4.5	-2.3%	-1.9%
Online retailers	0.6	0.6	0.7	0.8	0.9	1.0	12.8%	13.0%
Overall	7.3	7.1	7.1	7.2	7.2	7.2	-0.3%	-0.4%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 150: UK Household Appliances Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	11.8%	12.2%	12.2%	12.4%
General retailers	10.8%	10.7%	10.6%	10.4%
Specialist retailers	73.1%	69.3%	68.2%	62.8%
Online retailers	4.4%	7.8%	8.9%	14.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

12.8 Photographic Equipment

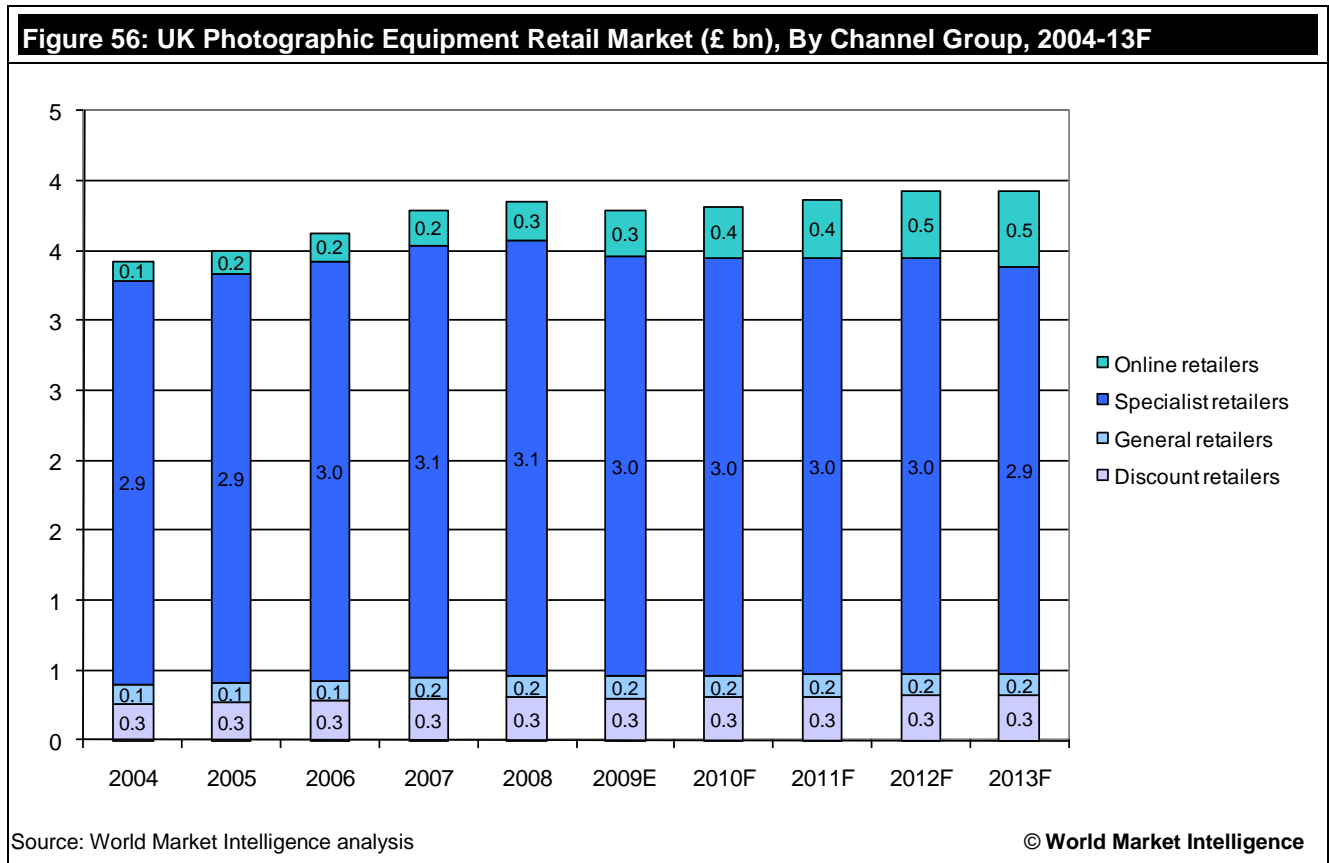


Table 151: UK Photographic Equipment Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	4.1%	3.0%
General retailers	0.1	0.1	0.1	0.2	0.2	0.2	2.5%	1.5%
Specialist retailers	2.9	2.9	3.0	3.1	3.1	3.0	1.9%	0.9%
Online retailers	0.1	0.2	0.2	0.2	0.3	0.3	19.1%	17.8%
Overall	3.4	3.5	3.6	3.8	3.9	3.8	3.0%	2.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 152: UK Photographic Equipment Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.8	0.8	0.8	0.9	0.9	0.9	3.0%	2.0%
General retailers	0.7	0.7	0.7	0.8	0.8	0.8	2.0%	1.0%
Specialist retailers	4.9	4.9	5.0	5.1	5.1	4.8	0.9%	-0.2%
Online retailers	0.3	0.3	0.4	0.5	0.6	0.6	18.0%	16.8%
Overall	6.7	6.8	6.9	7.2	7.3	7.1	2.2%	1.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 153: UK Photographic Equipment Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	7.6%	7.9%	8.0%	8.2%
General retailers	4.1%	4.1%	4.0%	3.9%
Specialist retailers	84.1%	80.6%	79.5%	74.1%
Online retailers	4.1%	7.4%	8.5%	13.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

13 Category Analysis: Food & Groceries

This chapter considers the UK food & groceries category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

13.1 Food & Groceries Category Overview

Food & groceries is made up of drinks; household products; packaged food; personal care; tobacco; and unpackaged food.

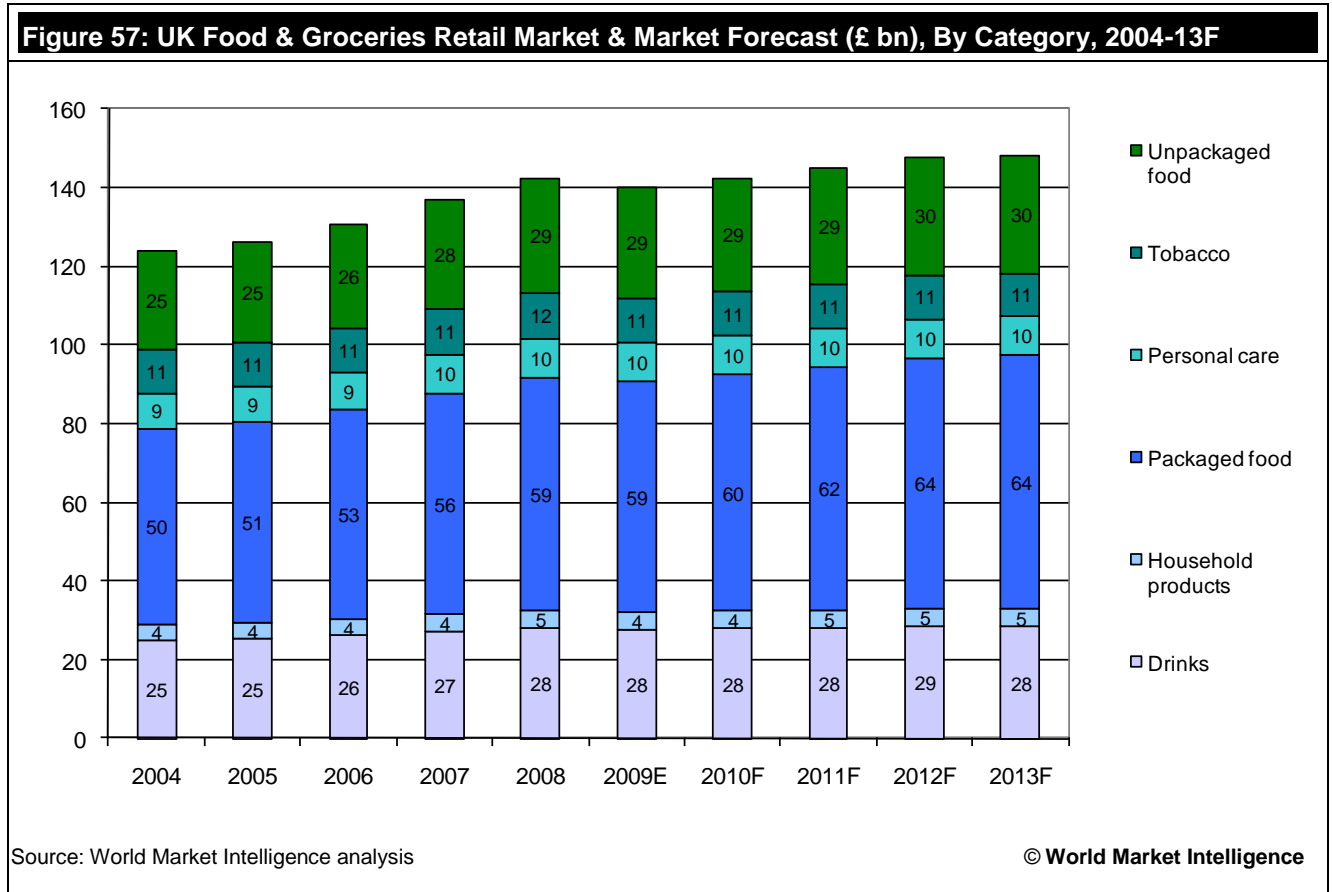
Drinks includes retail (not on-trade) sales of soft drinks, hot drinks and alcoholic drinks. Household products includes retail sales only of air fresheners, bleach, dishwashing products, furniture cleaning products, general purpose cleaners, insecticides, paper products, scouring products, textile washing products, and toilet care products.

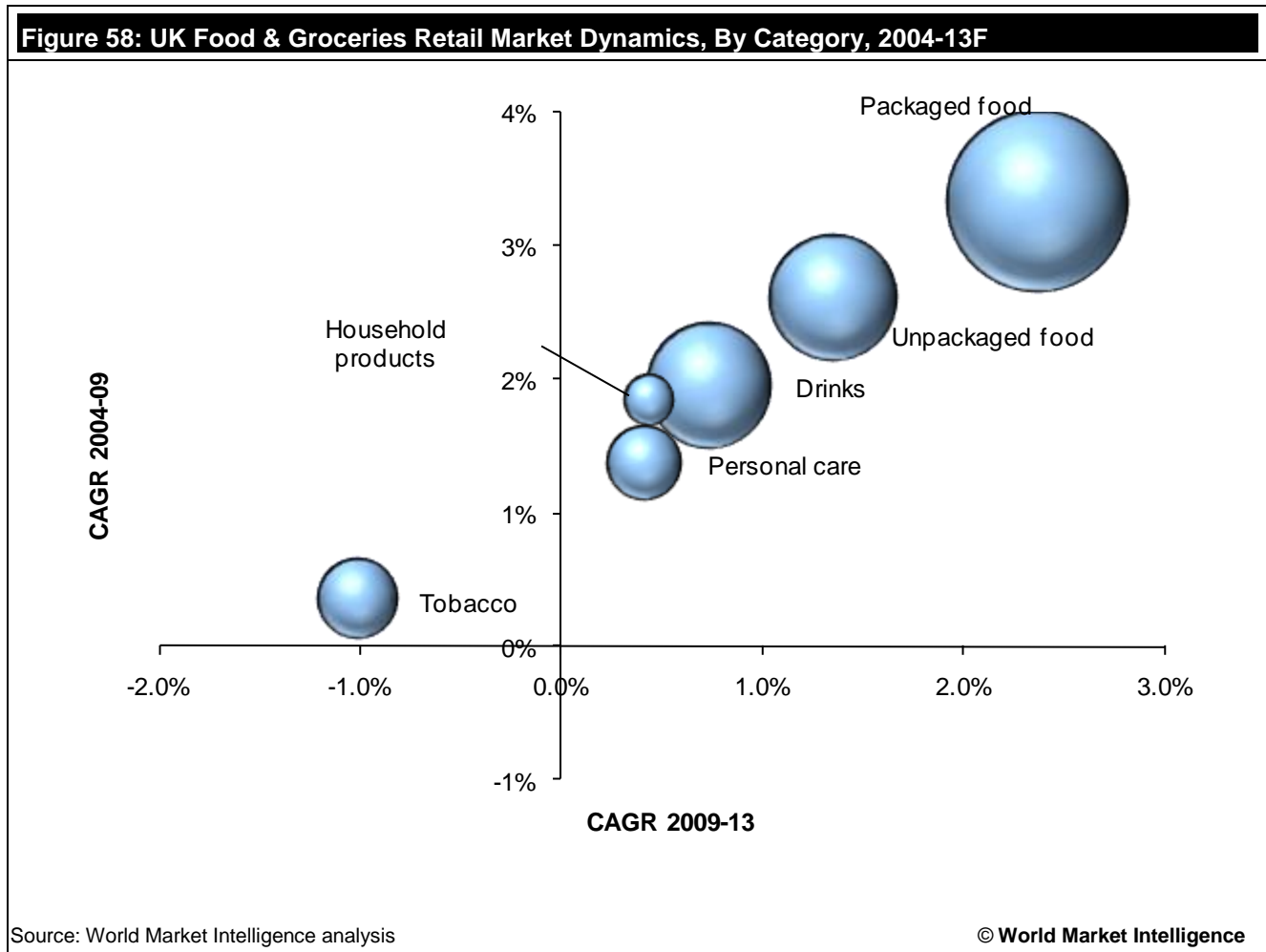
Packaged food includes retail (not foodservice) sales of bakery & cereals, canned food, chilled food, confectionery, dairy products, dried food, frozen food, ice cream, oils & fats, sauces/ dressings/condiments, savory snacks, soup, and spreads. Personal care Includes fragrances, haircare, make-up, oral hygiene, over-the-counter healthcare, personal hygiene and skincare/suncare. Prescription drug sales are not included.

Tobacco includes retail (including vending machine) sales of chewing tobacco, cigarettes, cigars & cigarillos, and loose tobacco. Unpackaged food includes retail (not foodservice) sales of unpackaged fruit, vegetables, meat, grains and other food categories.

13.2 Food & Groceries Data By Category

The following charts analyze UK food & groceries retail split out by category:





The following tables provide detailed data on UK food & groceries retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 154: UK Food & Groceries Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Drinks	25.0	25.3	26.1	27.2	28.1	27.6	3.0%	2.0%
Household products	4.0	4.1	4.2	4.4	4.5	4.5	3.0%	2.0%
Packaged food	49.8	51.0	53.2	56.2	58.9	58.6	4.3%	3.3%
Personal care	9.1	9.2	9.5	9.8	10.0	9.8	2.5%	1.6%
Tobacco	11.0	11.0	11.2	11.5	11.7	11.3	1.5%	0.5%
Unpackaged food	25.0	25.4	26.4	27.7	28.9	28.5	3.7%	2.7%
Overall	123.9	126.0	130.6	136.7	142.2	140.3	3.5%	2.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 155: UK Food & Groceries Retail Market Forecast (£ bn), By Category, 2008-2013								
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Drinks	28.1	27.6	27.8	28.1	28.5	28.4	0.2%	0.7%
Household products	4.5	4.5	4.5	4.5	4.6	4.5	-0.1%	0.4%
Packaged food	58.9	58.6	60.1	61.7	63.5	64.4	1.8%	2.4%
Personal care	10.0	9.8	9.8	9.9	10.0	10.0	-0.1%	0.4%
Tobacco	11.7	11.3	11.2	11.1	11.1	10.9	-1.5%	-1.0%
Unpackaged food	28.9	28.5	28.9	29.4	30.0	30.1	0.8%	1.4%
Overall	142.2	140.3	142.4	144.9	147.8	148.2	0.8%	1.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 156: UK Food & Groceries Retail Market Segmentation (% value), By Category, 2004-2013				
Category	2004	2008	2009E	2013F
Drinks	20.1%	20.1%	20.0%	19.9%
Household products	3.3%	3.2%	3.2%	3.2%
Packaged food	40.2%	40.5%	40.8%	41.1%
Personal care	7.3%	7.3%	7.2%	7.2%
Tobacco	8.9%	8.7%	8.6%	8.4%
Unpackaged food	20.2%	20.2%	20.2%	20.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 157: UK Food & Groceries Retail Market (US\$ bn), By Category, 2004-09E								
Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Drinks	46.3	46.9	48.4	50.4	52.2	51.2	3.0%	2.0%
Household products	7.5	7.6	7.8	8.2	8.4	8.3	3.0%	2.0%
Packaged food	92.3	94.6	98.8	104.2	109.3	108.7	4.3%	3.3%
Personal care	16.8	17.1	17.6	18.2	18.6	18.2	2.5%	1.6%
Tobacco	20.5	20.5	20.8	21.3	21.8	21.0	1.5%	0.5%
Unpackaged food	46.3	47.2	49.0	51.4	53.6	52.9	3.7%	2.7%
Overall	229.8	233.8	242.3	253.7	263.8	260.2	3.5%	2.5%

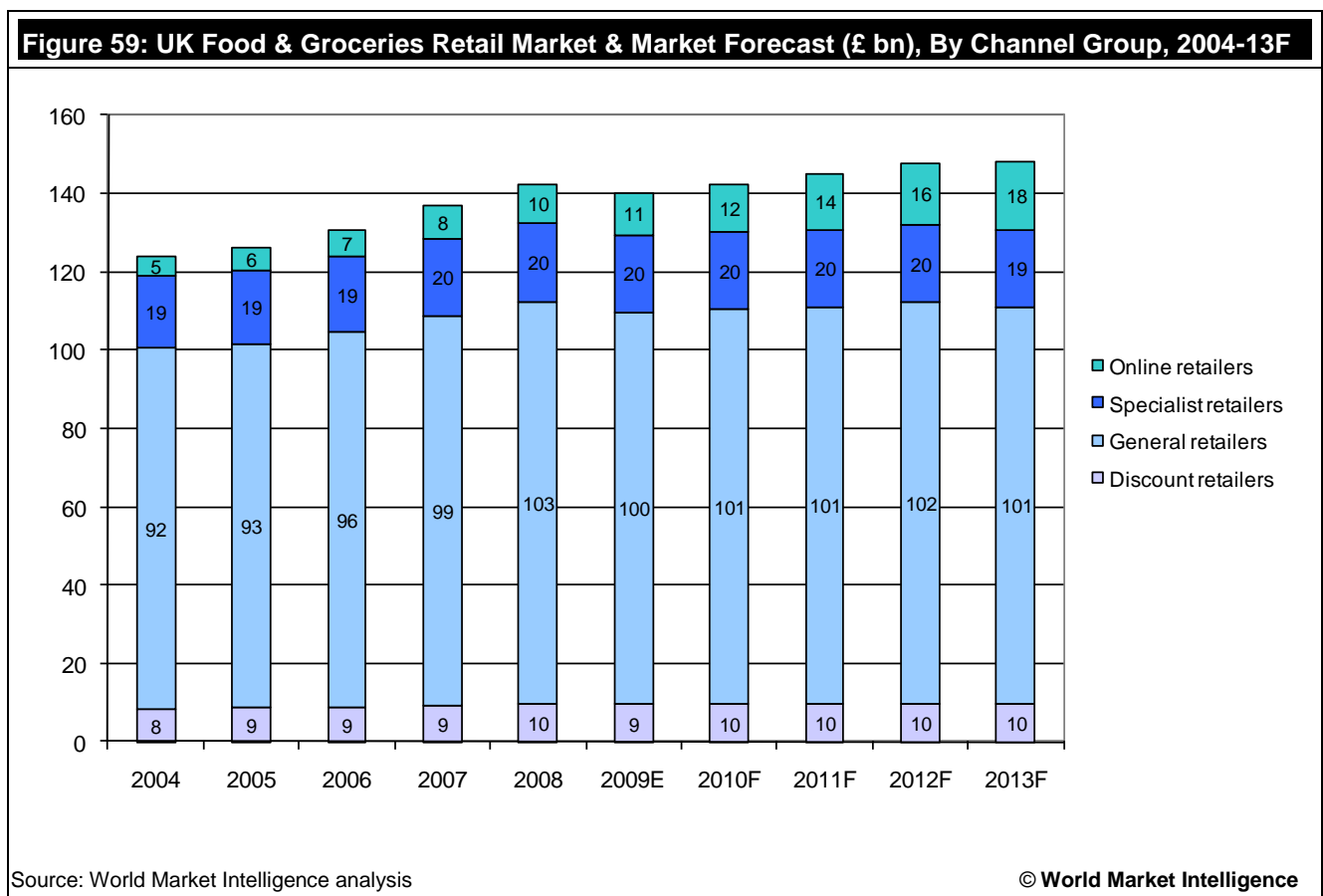
Source: World Market Intelligence analysis © World Market Intelligence

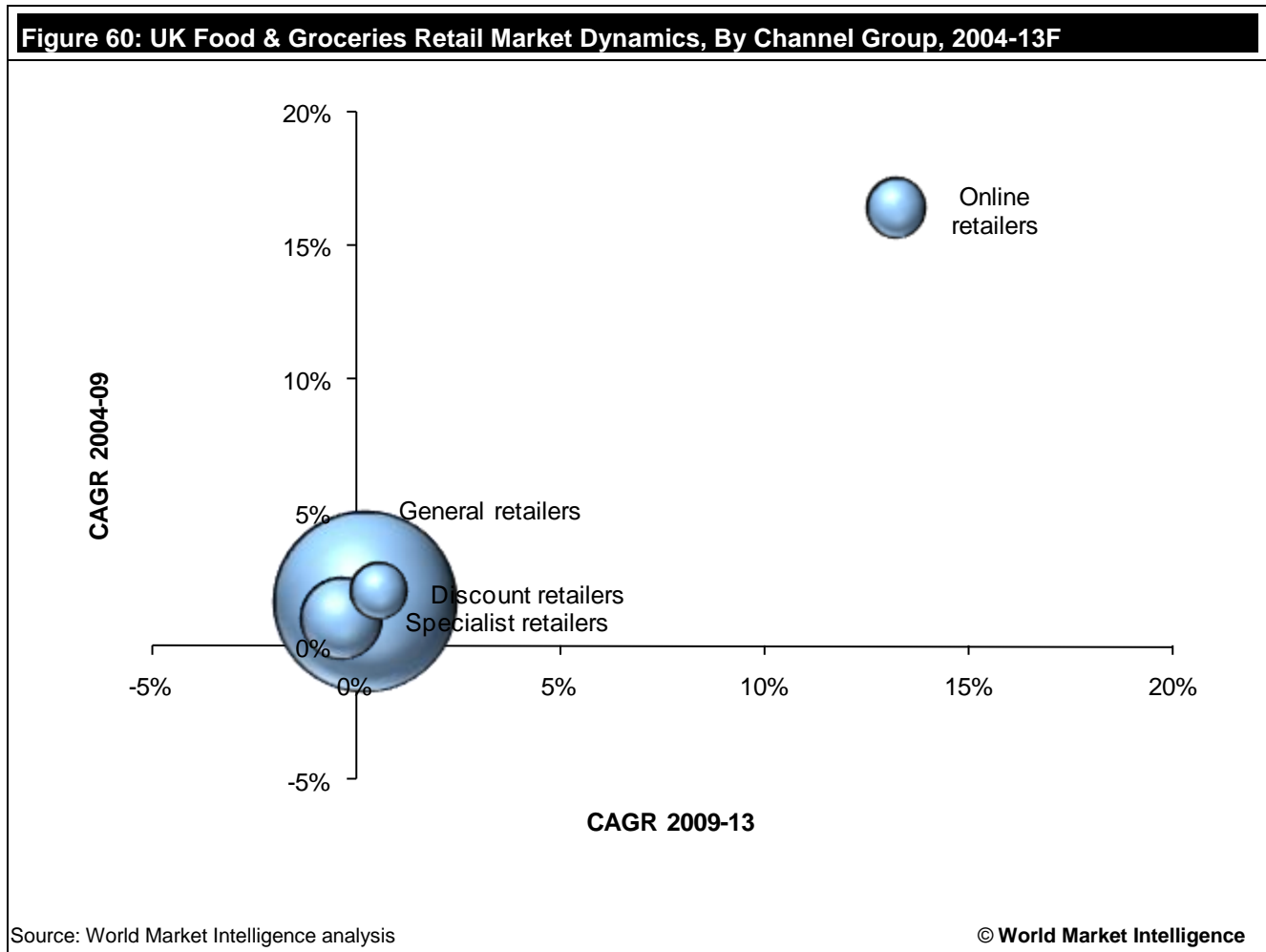
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Drinks	52.2	51.2	51.6	52.2	52.9	52.7	0.2%	0.7%
Household products	8.4	8.3	8.3	8.4	8.5	8.4	-0.1%	0.4%
Packaged food	109.3	108.7	111.4	114.4	117.9	119.4	1.8%	2.4%
Personal care	18.6	18.2	18.3	18.4	18.6	18.5	-0.1%	0.4%
Tobacco	21.8	21.0	20.8	20.7	20.6	20.1	-1.5%	-1.0%
Unpackaged food	53.6	52.9	53.7	54.6	55.7	55.8	0.8%	1.4%
Overall	263.8	260.2	264.1	268.7	274.2	275.0	0.8%	1.4%

Source: World Market Intelligence analysis © World Market Intelligence

13.3 Food & Groceries Data By Channel Group

The following charts analyze UK food & groceries retail split out by channel group:





The following tables provide detailed data on UK food & groceries retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 159: UK Food & Groceries Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	8.5	8.6	8.9	9.3	9.6	9.4	3.2%	2.1%
General retailers	91.9	92.9	95.6	99.4	102.7	100.3	2.8%	1.8%
Specialist retailers	18.6	18.7	19.2	19.9	20.3	19.7	2.2%	1.2%
Online retailers	4.9	5.8	6.9	8.3	9.6	10.8	18.3%	17.1%
Overall	123.9	126.0	130.6	136.7	142.2	140.3	3.5%	2.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 160: UK Food & Groceries Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	9.6	9.4	9.5	9.6	9.7	9.7	0.1%	0.6%
General retailers	102.7	100.3	100.8	101.5	102.3	101.4	-0.3%	0.3%
Specialist retailers	20.3	19.7	19.7	19.7	19.8	19.5	-0.8%	-0.3%
Online retailers	9.6	10.8	12.4	14.1	16.0	17.7	13.1%	13.3%
Overall	142.2	140.3	142.4	144.9	147.8	148.2	1.0%	0.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 161: UK Food & Groceries Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	6.9%	6.8%	6.7%	6.5%
General retailers	74.2%	72.2%	71.5%	68.4%
Specialist retailers	15.0%	14.3%	14.1%	13.1%
Online retailers	4.0%	6.7%	7.7%	12.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 162: UK Food & Groceries Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	15.7	16.0	16.5	17.2	17.9	17.5	3.2%	2.1%
General retailers	170.5	172.3	177.4	184.3	190.6	186.1	2.8%	1.8%
Specialist retailers	34.5	34.8	35.6	36.8	37.7	36.6	2.2%	1.2%
Online retailers	9.1	10.7	12.8	15.3	17.8	20.0	18.3%	17.1%
Overall	229.8	233.8	242.3	253.7	263.8	260.2	3.5%	2.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 163: UK Food & Groceries Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	17.9	17.5	17.6	17.8	18.0	17.9	0.1%	0.6%
General retailers	190.6	186.1	187.0	188.2	189.8	188.1	-0.3%	0.3%
Specialist retailers	37.7	36.6	36.5	36.6	36.7	36.1	-0.8%	-0.3%
Online retailers	17.8	20.0	23.0	26.1	29.6	32.9	13.1%	13.3%
Overall	263.8	260.2	264.1	268.7	274.2	275.0	1.0%	0.8%

Source: World Market Intelligence analysis © World Market Intelligence

13.4 Drinks

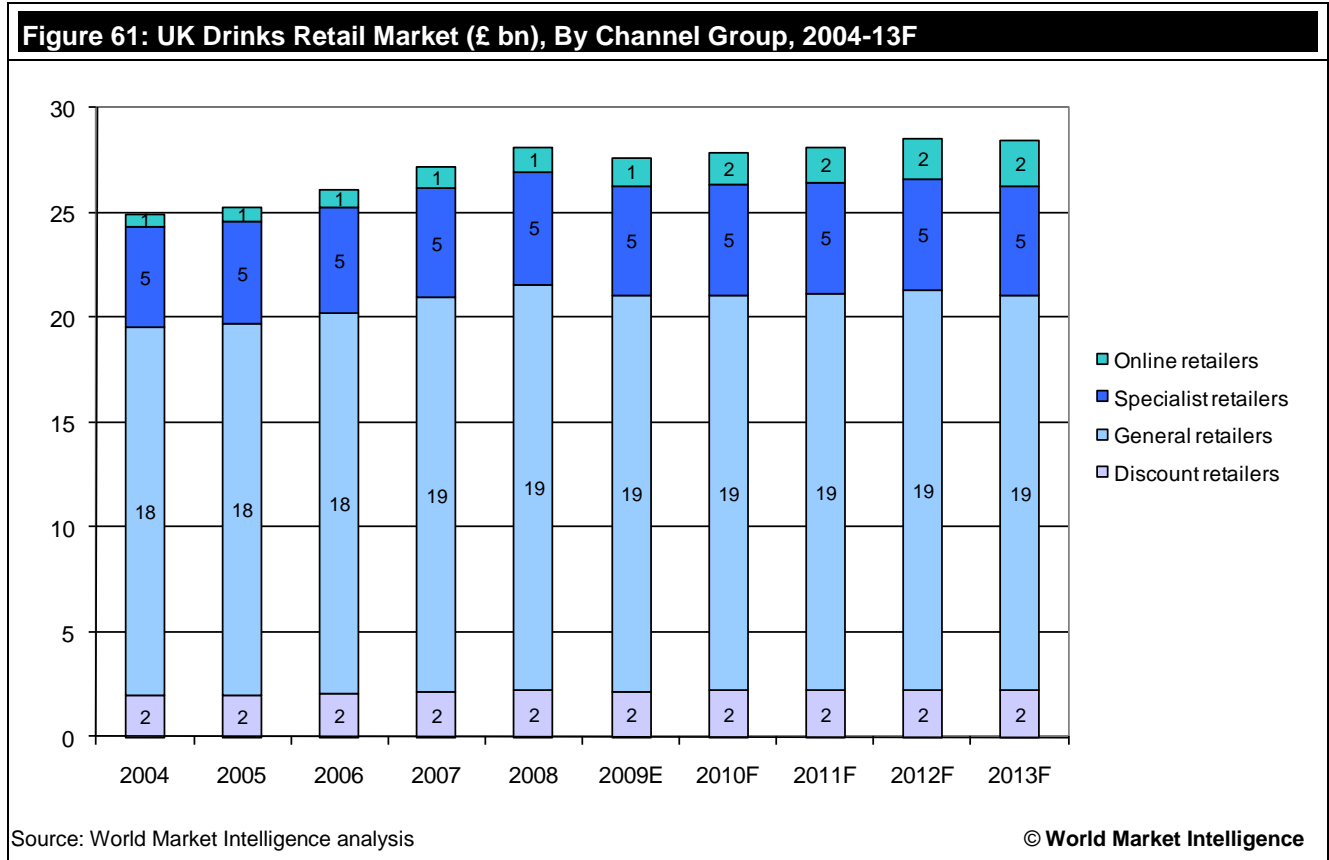


Table 164: UK Drinks Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	2.0	2.0	2.1	2.2	2.2	2.2	2.9%	1.8%
General retailers	17.5	17.7	18.1	18.8	19.4	18.9	2.5%	1.5%
Specialist retailers	4.8	4.9	5.0	5.2	5.4	5.2	2.6%	1.6%
Online retailers	0.6	0.7	0.9	1.0	1.2	1.3	17.9%	16.6%
Overall	25.0	25.3	26.1	27.2	28.1	27.6	3.0%	2.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 165: UK Drinks Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	2.2	2.2	2.2	2.2	2.2	2.2	-0.3%	0.3%
General retailers	19.4	18.9	18.9	19.0	19.1	18.8	-0.5%	0.0%
Specialist retailers	5.4	5.2	5.2	5.3	5.3	5.2	-0.5%	0.0%
Online retailers	1.2	1.3	1.5	1.7	1.9	2.1	12.7%	12.9%
Overall	28.1	27.6	27.8	28.1	28.5	28.4	0.3%	0.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 166: UK Drinks Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	8.0%	7.9%	7.9%	7.7%
General retailers	70.2%	68.8%	68.4%	66.3%
Specialist retailers	19.4%	19.1%	18.9%	18.4%
Online retailers	2.5%	4.2%	4.8%	7.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

13.5 Household Products

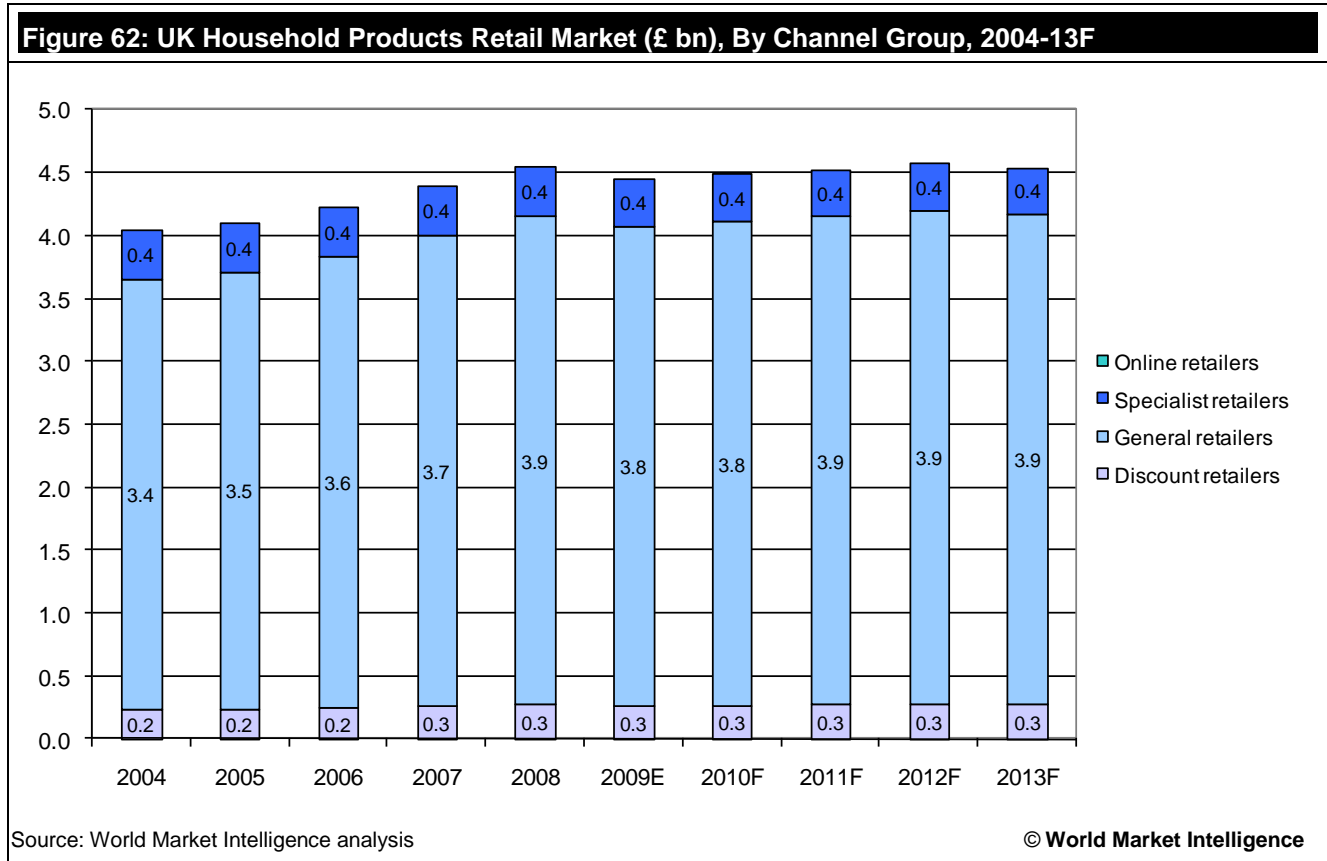


Table 167: UK Household Products Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.2	0.2	0.2	0.3	0.3	0.3	3.3%	2.2%
General retailers	3.4	3.5	3.6	3.7	3.9	3.8	3.2%	2.2%
Specialist retailers	0.4	0.4	0.4	0.4	0.4	0.4	1.1%	0.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	4.0	4.1	4.2	4.4	4.5	4.5	3.0%	2.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 168: UK Household Products Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	0.2%	0.7%
General retailers	3.9	3.8	3.8	3.9	3.9	3.9	0.1%	0.6%
Specialist retailers	0.4	0.4	0.4	0.4	0.4	0.4	-2.1%	-1.6%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	4.5	4.5	4.5	4.5	4.6	4.5	0.1%	-0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 169: UK Household Products Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	5.8%	5.9%	5.9%	5.9%
General retailers	84.7%	85.4%	85.5%	86.1%
Specialist retailers	9.5%	8.8%	8.6%	7.9%
Online retailers	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

13.6 Packaged Food

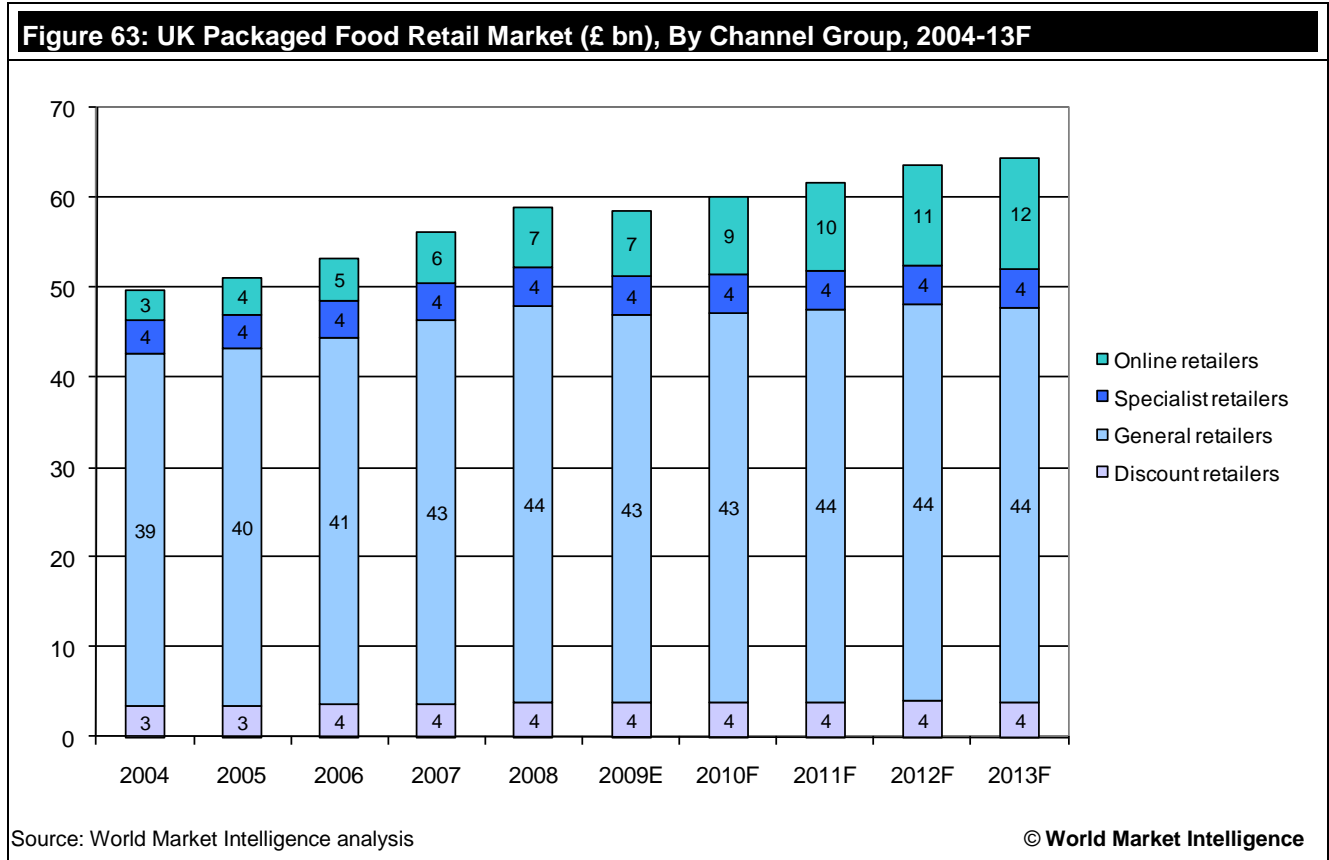


Table 170: UK Packaged Food Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	3.4	3.4	3.6	3.7	3.9	3.8	3.4%	2.3%
General retailers	39.2	39.7	40.9	42.6	44.1	43.1	3.0%	1.9%
Specialist retailers	3.8	3.9	4.0	4.2	4.3	4.3	3.4%	2.3%
Online retailers	3.4	4.0	4.7	5.7	6.6	7.4	18.4%	17.1%
Overall	49.8	51.0	53.2	56.2	58.9	58.6	4.3%	3.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 171: UK Packaged Food Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	3.9	3.8	3.8	3.9	3.9	3.9	0.2%	0.7%
General retailers	44.1	43.1	43.4	43.7	44.2	43.8	-0.1%	0.4%
Specialist retailers	4.3	4.3	4.3	4.4	4.4	4.4	0.2%	0.7%
Online retailers	6.6	7.4	8.5	9.7	11.0	12.3	13.1%	13.3%
Overall	58.9	58.6	60.1	61.7	63.5	64.4	1.9%	1.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 172: UK Packaged Food Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	6.8%	6.6%	6.5%	6.1%
General retailers	78.8%	74.8%	73.6%	68.1%
Specialist retailers	7.6%	7.4%	7.3%	6.8%
Online retailers	6.8%	11.2%	12.7%	19.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

13.7 Personal Care



Table 173: UK Personal Care Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	3.4%	2.3%
General retailers	3.7	3.8	3.9	4.0	4.1	4.0	2.6%	1.6%
Specialist retailers	5.0	5.0	5.1	5.2	5.2	5.0	1.3%	0.2%
Online retailers	0.3	0.3	0.4	0.5	0.6	0.7	18.4%	17.2%
Overall	9.1	9.2	9.5	9.8	10.0	9.8	2.5%	1.6%

Source: World Market Intelligence analysis © World Market Intelligence

Table 174: UK Personal Care Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	0.3%	0.8%
General retailers	4.1	4.0	4.1	4.1	4.1	4.1	-0.4%	0.1%
Specialist retailers	5.2	5.0	4.9	4.9	4.9	4.7	-1.9%	-1.5%
Online retailers	0.6	0.7	0.8	0.9	1.0	1.1	13.2%	13.4%
Overall	10.0	9.8	9.8	9.9	10.0	10.0	0.0%	-0.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 175: UK Personal Care Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	0.8%	0.9%	0.9%	0.9%
General retailers	41.2%	41.4%	41.3%	40.8%
Specialist retailers	54.7%	52.0%	51.2%	47.5%
Online retailers	3.3%	5.8%	6.7%	10.8%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

13.8 Tobacco

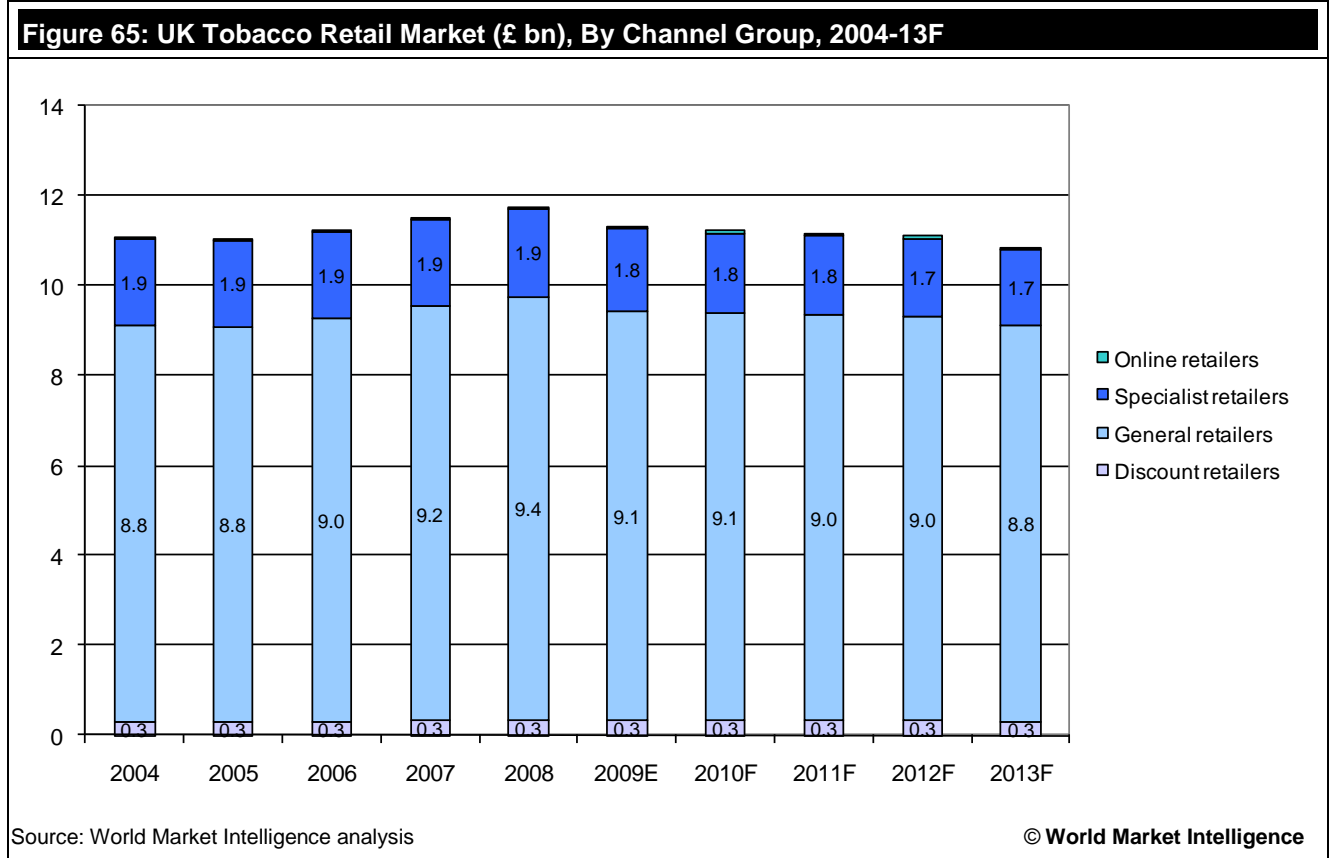


Table 176: UK Tobacco Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	1.9%	0.9%
General retailers	8.8	8.8	9.0	9.2	9.4	9.1	1.8%	0.7%
Specialist retailers	1.9	1.9	1.9	1.9	1.9	1.8	0.2%	-0.9%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	16.9%	15.7%
Overall	11.0	11.0	11.2	11.5	11.7	11.3	1.5%	0.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 177: UK Tobacco Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	-1.2%	-0.7%
General retailers	9.4	9.1	9.1	9.0	9.0	8.8	-1.3%	-0.8%
Specialist retailers	1.9	1.8	1.8	1.8	1.7	1.7	-2.9%	-2.4%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.1	11.7%	11.9%
Overall	11.7	11.3	11.2	11.1	11.1	10.9	-1.4%	-1.5%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 178: UK Tobacco Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	2.8%	2.8%	2.8%	2.9%
General retailers	79.6%	80.4%	80.6%	81.2%
Specialist retailers	17.4%	16.5%	16.3%	15.4%
Online retailers	0.2%	0.3%	0.3%	0.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

13.9 Unpackaged Food

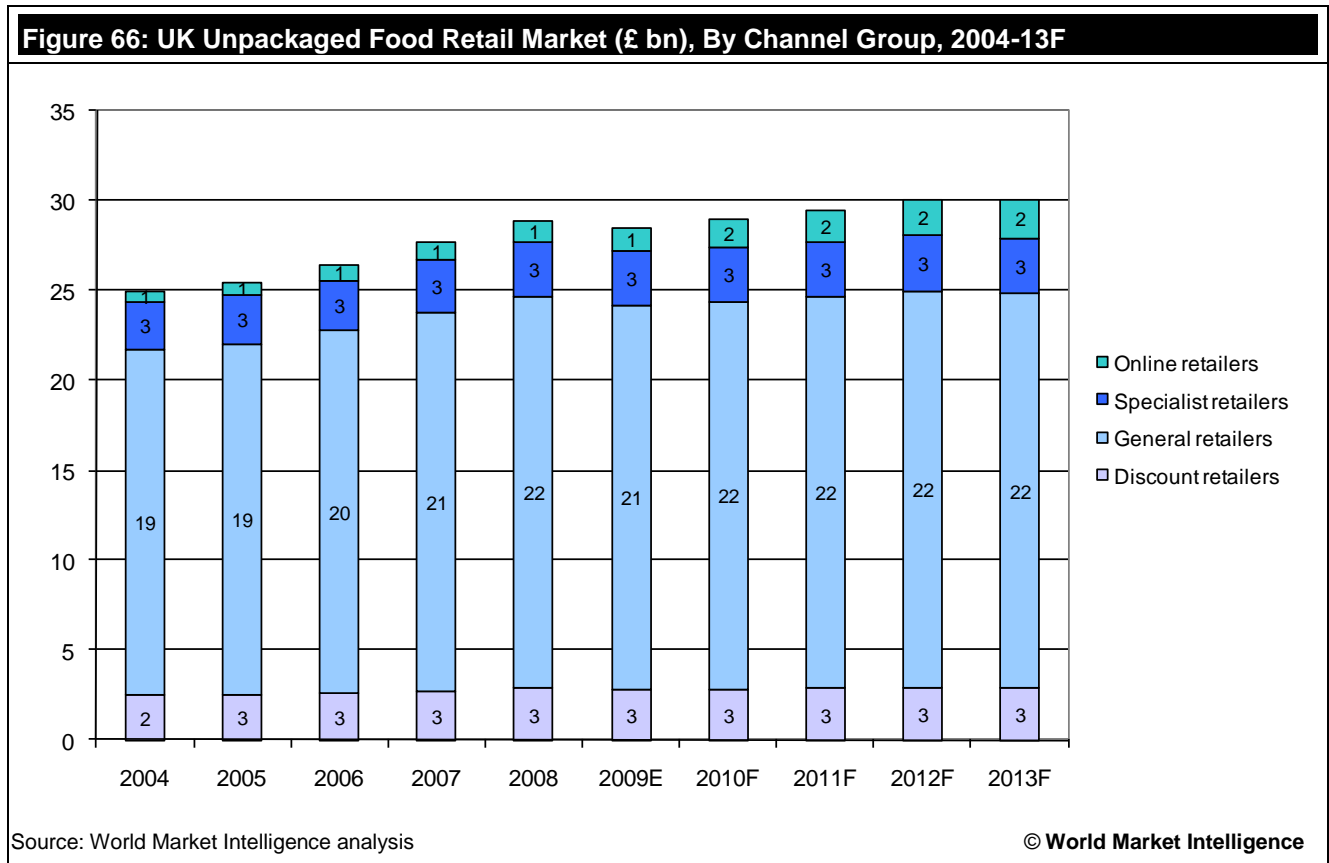


Table 179: UK Unpackaged Food Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	2.5	2.5	2.6	2.7	2.8	2.8	3.4%	2.3%
General retailers	19.2	19.5	20.1	21.0	21.8	21.4	3.2%	2.2%
Specialist retailers	2.7	2.7	2.8	2.9	3.0	3.0	3.4%	2.3%
Online retailers	0.6	0.7	0.8	1.0	1.2	1.3	18.4%	17.1%
Overall	25.0	25.4	26.4	27.7	28.9	28.5	3.7%	2.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 180: UK Unpackaged Food Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	2.8	2.8	2.8	2.9	2.9	2.9	0.2%	0.7%
General retailers	21.8	21.4	21.6	21.8	22.1	21.9	0.1%	0.6%
Specialist retailers	3.0	3.0	3.0	3.1	3.1	3.1	0.2%	0.7%
Online retailers	1.2	1.3	1.5	1.7	2.0	2.2	13.1%	13.3%
Overall	28.9	28.5	28.9	29.4	30.0	30.1	1.0%	0.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 181: UK Unpackaged Food Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	10.0%	9.9%	9.8%	9.6%
General retailers	76.9%	75.5%	75.1%	72.9%
Specialist retailers	10.7%	10.5%	10.5%	10.2%
Online retailers	2.4%	4.1%	4.7%	7.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

14 Category Analysis: Furniture & Floor Coverings

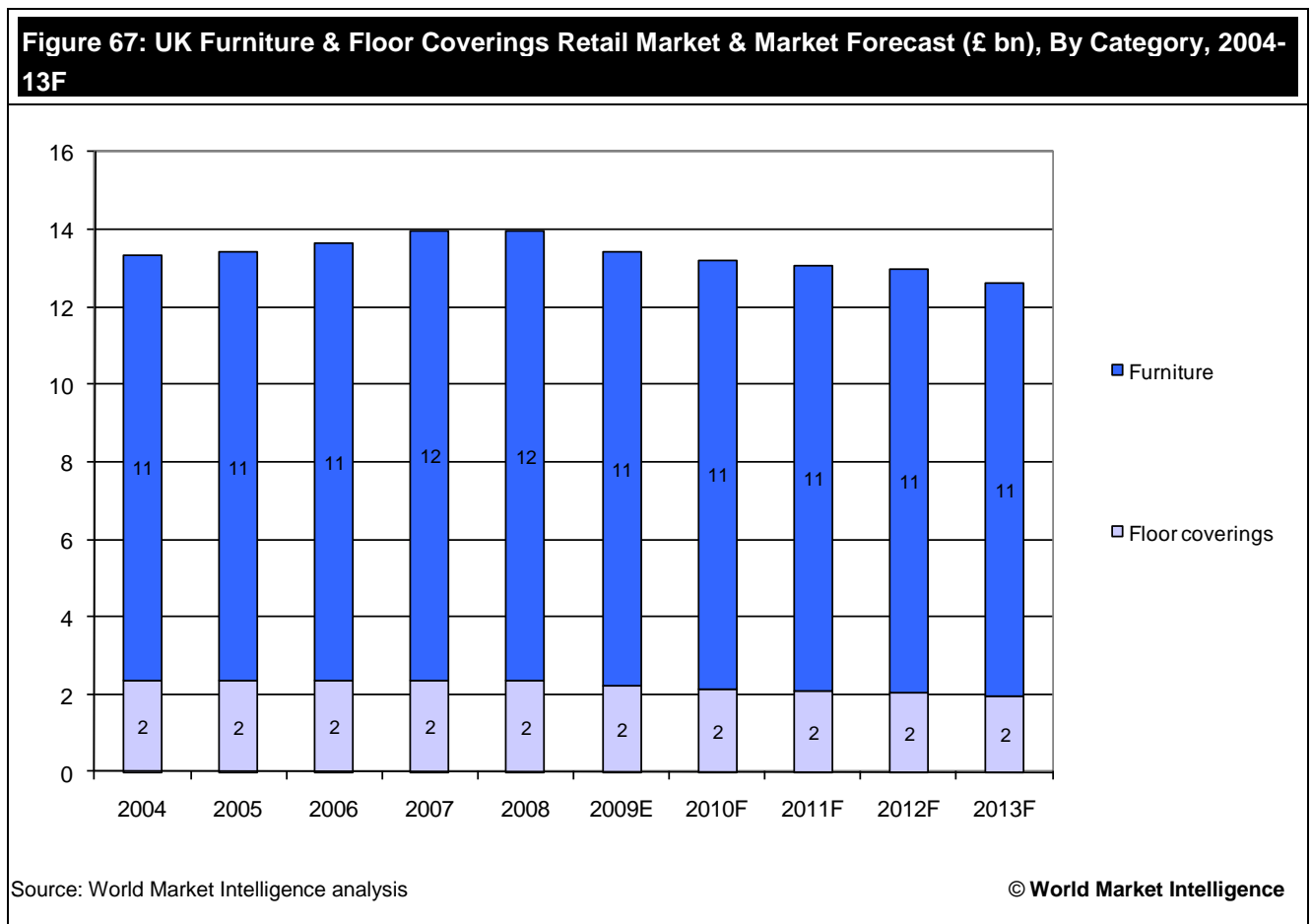
This chapter considers the UK furniture & floor coverings category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

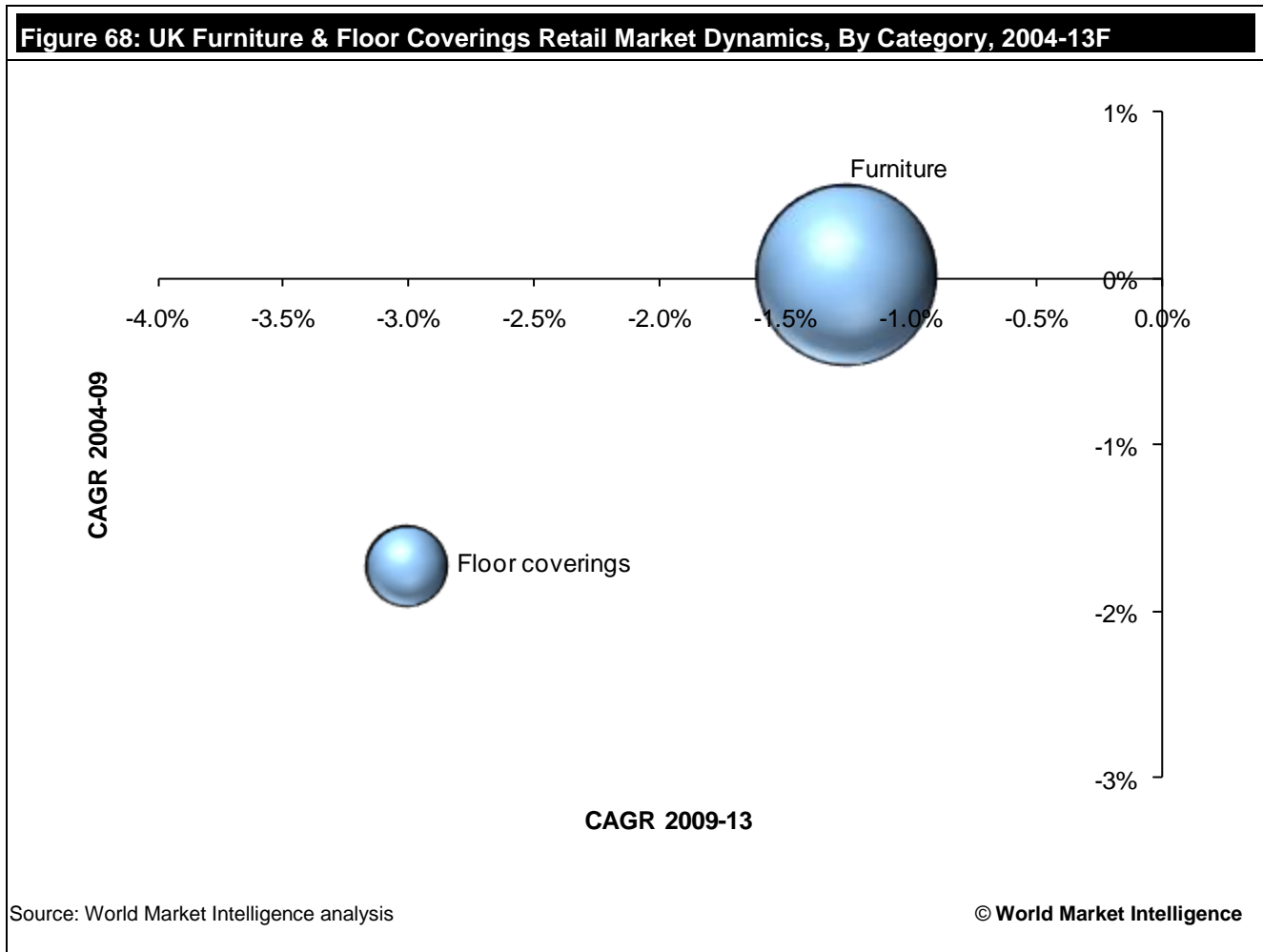
14.1 Furniture & Floor Coverings Category Overview

Floor coverings includes retail sales of carpets, mats, rugs, carpet tiles, hard tiles, laminates, final and wood flooring. Furniture includes retail sales of domestic furniture, including bedroom furniture, dining room furniture, home office furniture, living room furniture, kitchen furniture and bathroom furniture. Contract furniture, furnishings and floor coverings are not covered.

14.2 Furniture & Floor Coverings Data By Category

The following charts analyze UK furniture & floor coverings retail split out by category:





The following tables provide detailed data on UK furniture & floor coverings retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 182: UK Furniture & Floor Coverings Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Floor coverings	2.4	2.3	2.3	2.4	2.3	2.2	-0.3%	-1.3%
Furniture	11.0	11.1	11.3	11.6	11.6	11.2	1.4%	0.4%
Overall	13.4	13.4	13.6	14.0	14.0	13.4	1.1%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 183: UK Furniture & Floor Coverings Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Floor coverings	2.3	2.2	2.1	2.1	2.0	2.0	-3.5%	-3.0%
Furniture	11.6	11.2	11.1	11.0	10.9	10.6	-1.7%	-1.3%
Overall	14.0	13.4	13.2	13.1	13.0	12.6	-2.0%	-1.5%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 184: UK Furniture & Floor Coverings Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Floor coverings	17.7%	17.5%	17.2%	17.0%
Furniture	82.3%	82.5%	82.8%	83.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 185: UK Furniture & Floor Coverings Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Floor coverings	4.4	4.3	4.4	4.4	4.3	4.1	-0.3%	-1.3%
Furniture	20.4	20.5	20.9	21.5	21.6	20.8	1.4%	0.4%
Overall	24.8	24.9	25.3	25.9	25.9	24.9	1.1%	0.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 186: UK Furniture & Floor Coverings Retail Market Forecast (US\$ bn), By Category, 2008-2013

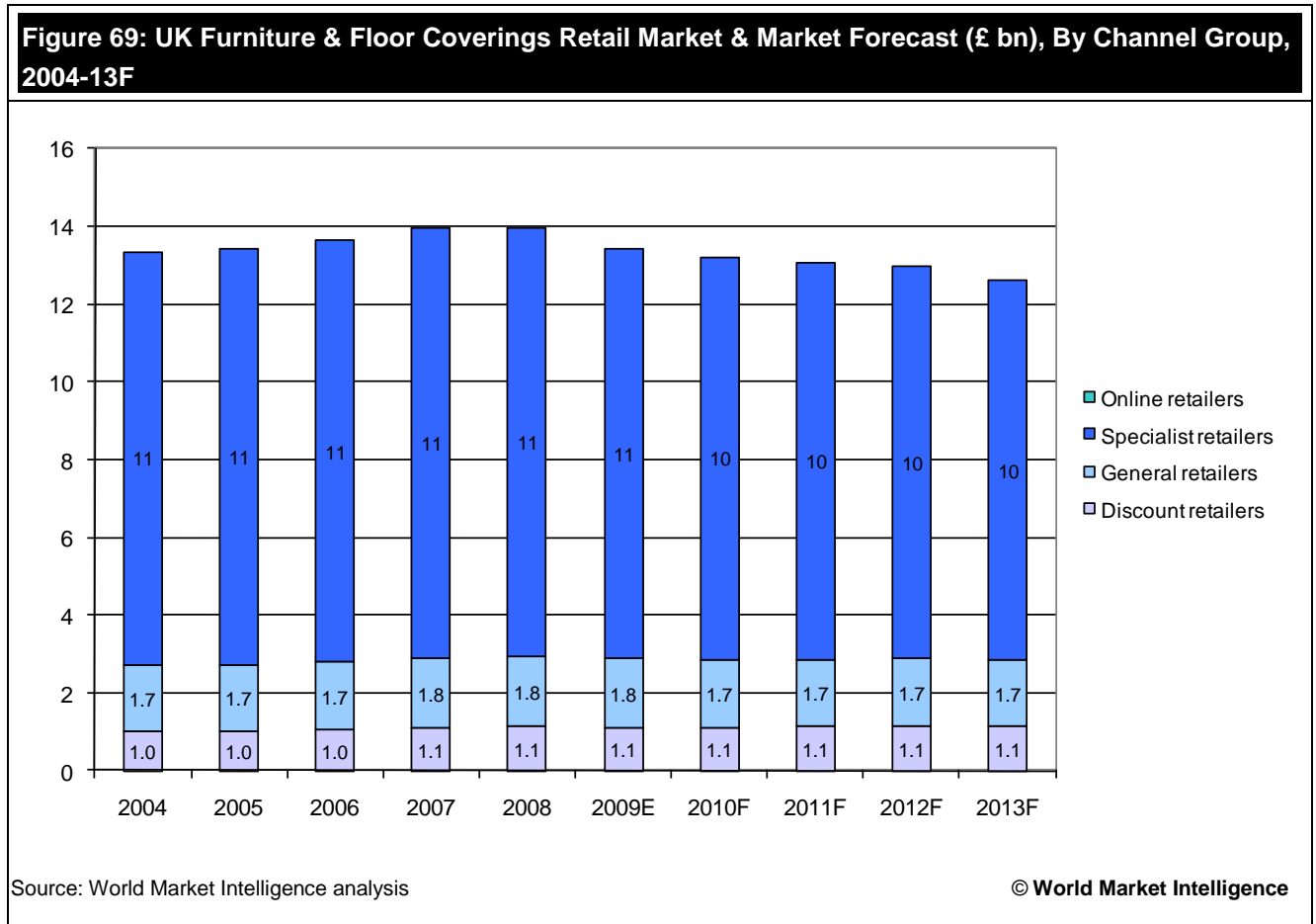
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Floor coverings	4.3	4.1	4.0	3.9	3.8	3.6	-3.5%	-3.0%
Furniture	21.6	20.8	20.5	20.4	20.3	19.8	-1.7%	-1.3%
Overall	25.9	24.9	24.5	24.3	24.0	23.4	-2.0%	-1.5%

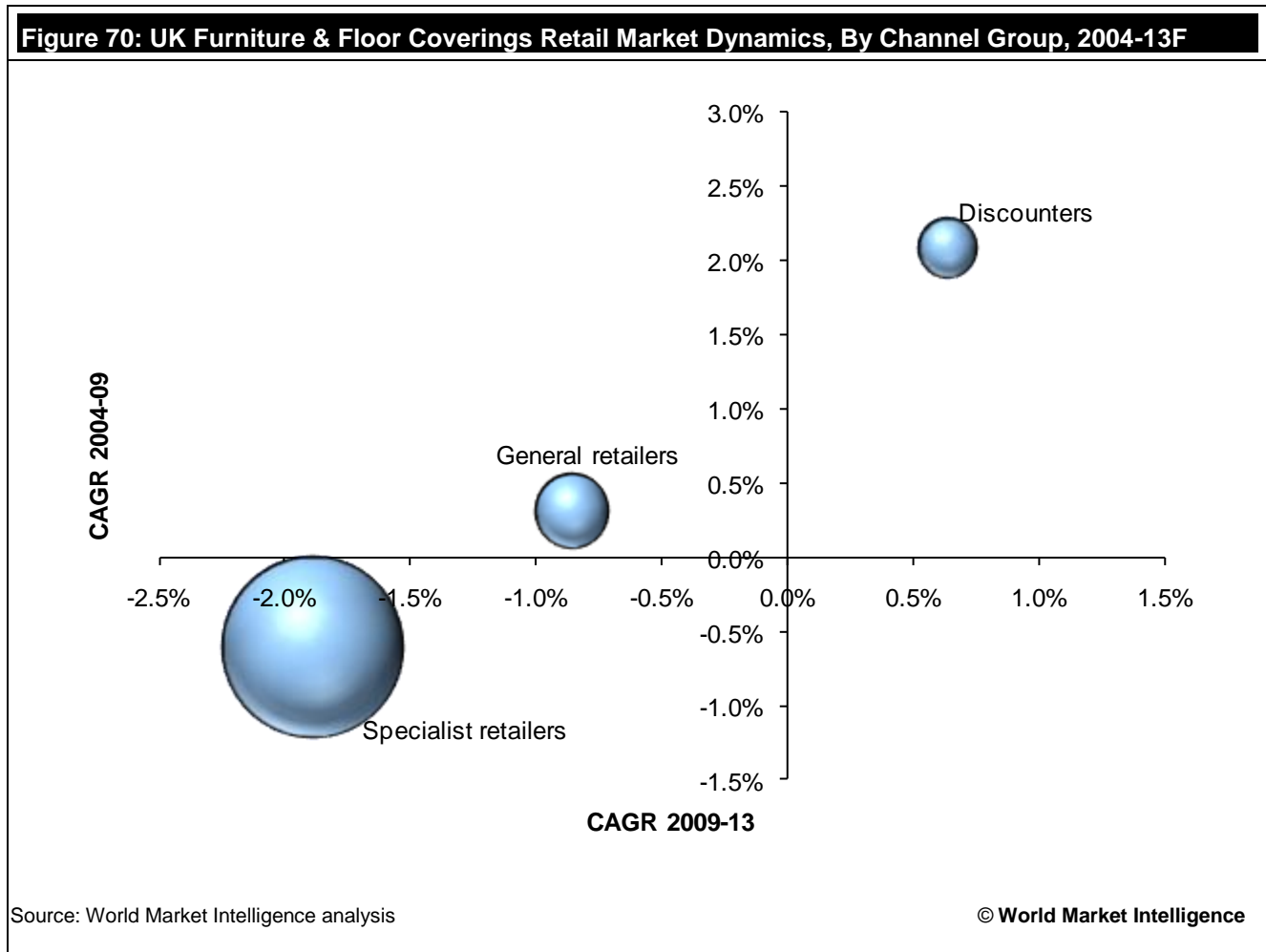
Source: World Market Intelligence analysis

© World Market Intelligence

14.3 Furniture & Floor Coverings Data By Channel Group

The following charts analyze UK furniture & floor coverings retail split out by channel group:





The following tables provide detailed data on UK furniture & floor coverings retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 187: UK Furniture & Floor Coverings Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	1.0	1.0	1.0	1.1	1.1	1.1	3.2%	2.2%
General retailers	1.7	1.7	1.7	1.8	1.8	1.8	1.5%	0.5%
Specialist retailers	10.6	10.7	10.8	11.1	11.0	10.5	0.8%	-0.2%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	13.4	13.4	13.6	14.0	14.0	13.4	1.1%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 188: UK Furniture & Floor Coverings Retail Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	1.1	1.1	1.1	1.1	1.1	1.1	0.1%	0.6%
General retailers	1.8	1.8	1.7	1.7	1.7	1.7	-1.4%	-0.9%
Specialist retailers	11.0	10.5	10.4	10.2	10.1	9.8	-2.4%	-1.9%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	14.0	13.4	13.2	13.1	13.0	12.6	-1.8%	-2.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 189: UK Furniture & Floor Coverings Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	7.5%	8.1%	8.3%	9.0%
General retailers	12.9%	13.1%	13.1%	13.5%
Specialist retailers	79.7%	78.8%	78.6%	77.5%
Online retailers	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 190: UK Furniture & Floor Coverings Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	1.8	1.9	1.9	2.0	2.1	2.1	3.2%	2.2%
General retailers	3.2	3.2	3.2	3.3	3.4	3.3	1.5%	0.5%
Specialist retailers	19.7	19.8	20.1	20.6	20.4	19.6	0.8%	-0.2%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	24.8	24.9	25.3	25.9	25.9	24.9	1.1%	0.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 191: UK Furniture & Floor Coverings Retail Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	2.1	2.1	2.1	2.1	2.1	2.1	0.1%	0.6%
General retailers	3.4	3.3	3.2	3.2	3.2	3.2	-1.4%	-0.9%
Specialist retailers	20.4	19.6	19.2	18.9	18.7	18.1	-2.4%	-1.9%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	25.9	24.9	24.5	24.3	24.0	23.4	-1.8%	-2.0%

Source: World Market Intelligence analysis © World Market Intelligence

14.4 Floor Coverings

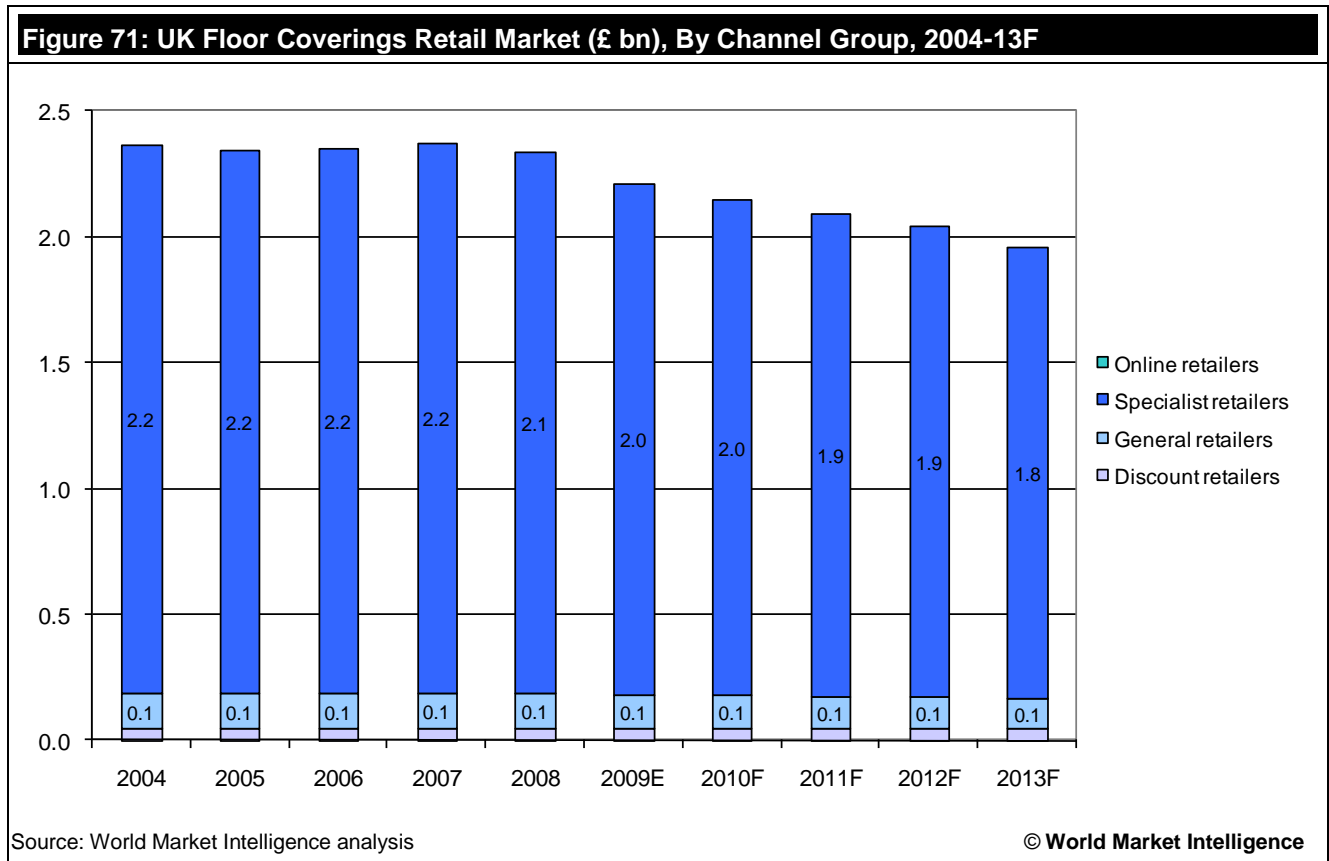


Table 192: UK Floor Coverings Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.0	0.0	0.0	0.0	0.0	0.0	1.8%	0.7%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	0.0%	-1.0%
Specialist retailers	2.2	2.2	2.2	2.2	2.1	2.0	-0.4%	-1.4%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	2.4	2.3	2.3	2.4	2.3	2.2	-0.3%	-1.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 193: UK Floor Coverings Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.0	0.0	0.0	0.0	0.0	0.0	-1.3%	-0.8%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	-2.8%	-2.3%
Specialist retailers	2.1	2.0	2.0	1.9	1.9	1.8	-3.6%	-3.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	2.3	2.2	2.1	2.1	2.0	2.0	-3.3%	-3.5%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 194: UK Floor Coverings Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	1.9%	2.1%	2.1%	2.3%
General retailers	5.9%	6.0%	6.0%	6.2%
Specialist retailers	92.2%	91.9%	91.9%	91.5%
Online retailers	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

14.5 Furniture

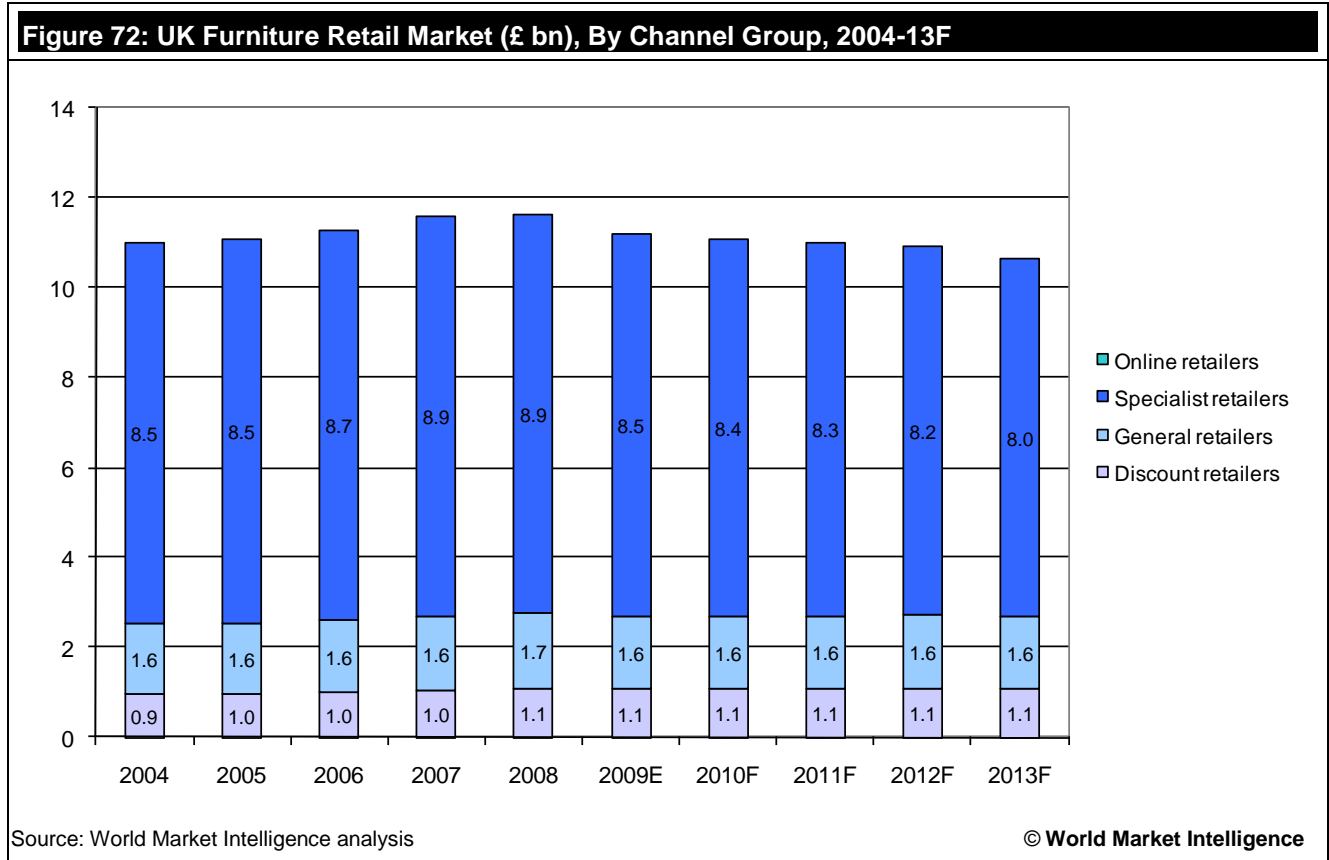


Table 195: UK Furniture Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.9	1.0	1.0	1.0	1.1	1.1	3.3%	2.3%
General retailers	1.6	1.6	1.6	1.6	1.7	1.6	1.6%	0.6%
Specialist retailers	8.5	8.5	8.7	8.9	8.9	8.5	1.2%	0.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	11.0	11.1	11.3	11.6	11.6	11.2	1.4%	0.4%

Source: World Market Intelligence analysis © World Market Intelligence

Table 196: UK Furniture Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	1.1	1.1	1.1	1.1	1.1	1.1	0.2%	0.7%
General retailers	1.7	1.6	1.6	1.6	1.6	1.6	-1.3%	-0.7%
Specialist retailers	8.9	8.5	8.4	8.3	8.2	8.0	-2.1%	-1.6%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Overall	11.6	11.2	11.1	11.0	10.9	10.6	-1.6%	-1.7%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 197: UK Furniture Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	8.6%	9.3%	9.5%	10.3%
General retailers	14.4%	14.5%	14.5%	14.8%
Specialist retailers	77.0%	76.2%	76.0%	74.9%
Online retailers	0.0%	0.0%	0.0%	0.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

15 Category Analysis: Home & Garden Products

This chapter considers the UK home & garden products category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

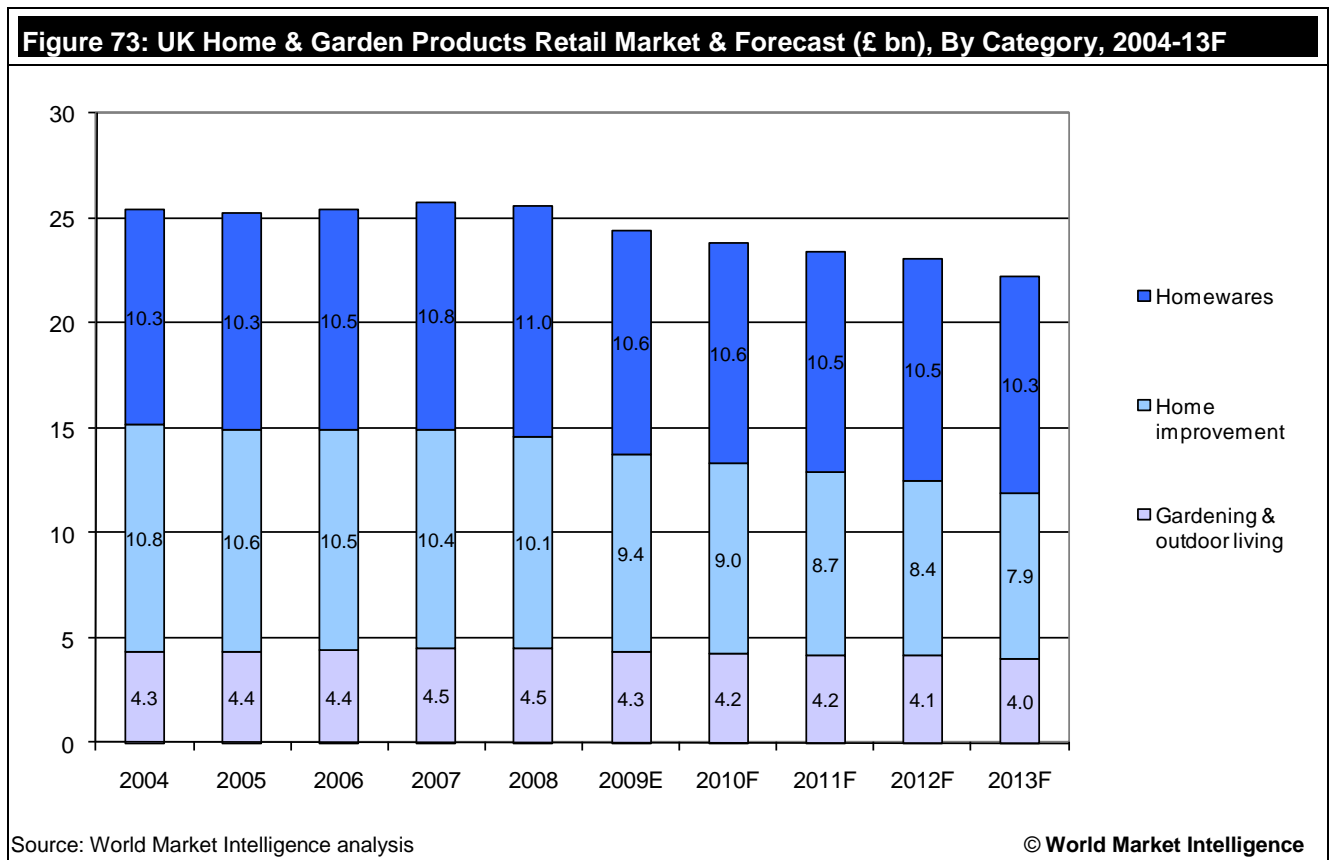
15.1 Home & Garden Products Category Overview

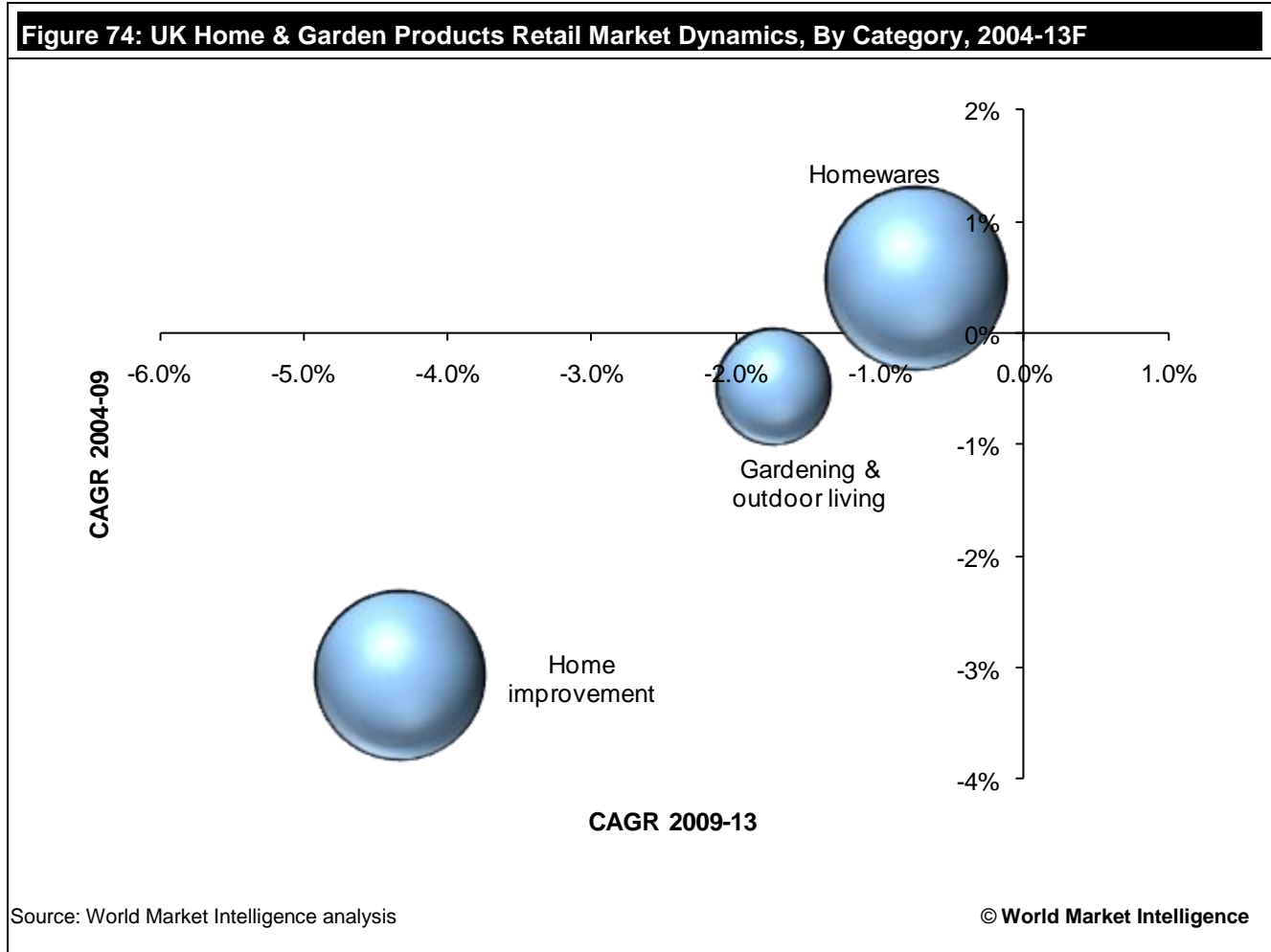
The home & garden products category group is made out of three categories: gardening & outdoor living; home improvement; and homewares. Gardening & outdoor living includes garden buildings, manual and electric garden tools, garden utensils, outdoor living products (garden furniture, barbecues, ornaments, accessories), and plants & growing media (bulbs, compost, domestic fertilizer, flowering plants, seeds, shrubs and trees).

Home improvement includes retail (not trade) sales of decorating materials (paint, varnish, wall tiles, wallpaper), electrical hardware (alarms, light fittings, plugs, switches), hardware (brackets, locks, nails, bolts, nuts, etc), other materials (adhesive, aggregates, boards, cement, doors, window frames, glass, bricks, timber, etc), and manual & power tools. Homewares covers home hardware (crocery, cutlery, glassware, rubbish bins, storage, mechanical utensils & home devices e.g. scales), lamps & lampshades, textiles & soft furnishings (bathroom textiles, beddings, cushions, futons, hammocks, mattresses, table linen, furniture covers, doormats), and window dressings (blinds, curtain poles, rails, curtains, hooks).

15.2 Home & Garden Products Data By Category

The following charts analyze UK home & garden products retail split out by category:





The following tables provide detailed data on UK home & garden products retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 198: UK Home & Garden Products Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Gardening & outdoor living	4.3	4.4	4.4	4.5	4.5	4.3	0.9%	-0.1%
Home improvement	10.8	10.6	10.5	10.4	10.1	9.4	-1.7%	-2.7%
Homewares	10.3	10.3	10.5	10.8	11.0	10.6	1.8%	0.7%
Overall	25.4	25.2	25.4	25.8	25.6	24.4	0.2%	-0.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 199: UK Home & Garden Products Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Gardening & outdoor living	4.5	4.3	4.2	4.2	4.1	4.0	-2.2%	-1.7%
Home improvement	10.1	9.4	9.0	8.7	8.4	7.9	-4.8%	-4.3%
Homewares	11.0	10.6	10.6	10.5	10.5	10.3	-1.3%	-0.7%
Overall	25.6	24.4	23.8	23.4	23.0	22.3	-2.8%	-2.3%

Source: World Market Intelligence analysis © World Market Intelligence

Table 200: UK Home & Garden Products Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Gardening & outdoor living	17.1%	17.2%	17.4%	17.6%
Home improvement	42.5%	41.9%	41.2%	40.4%
Homewares	40.4%	40.9%	41.4%	42.0%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 201: UK Home & Garden Products Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Gardening & outdoor living	8.0	8.1	8.2	8.4	8.3	8.0	0.9%	-0.1%
Home improvement	20.0	19.6	19.4	19.3	18.7	17.5	-1.7%	-2.7%
Homewares	19.0	19.1	19.5	20.1	20.4	19.7	1.8%	0.7%
Overall	47.1	46.8	47.1	47.8	47.5	45.2	0.2%	-0.8%

Source: World Market Intelligence analysis © World Market Intelligence

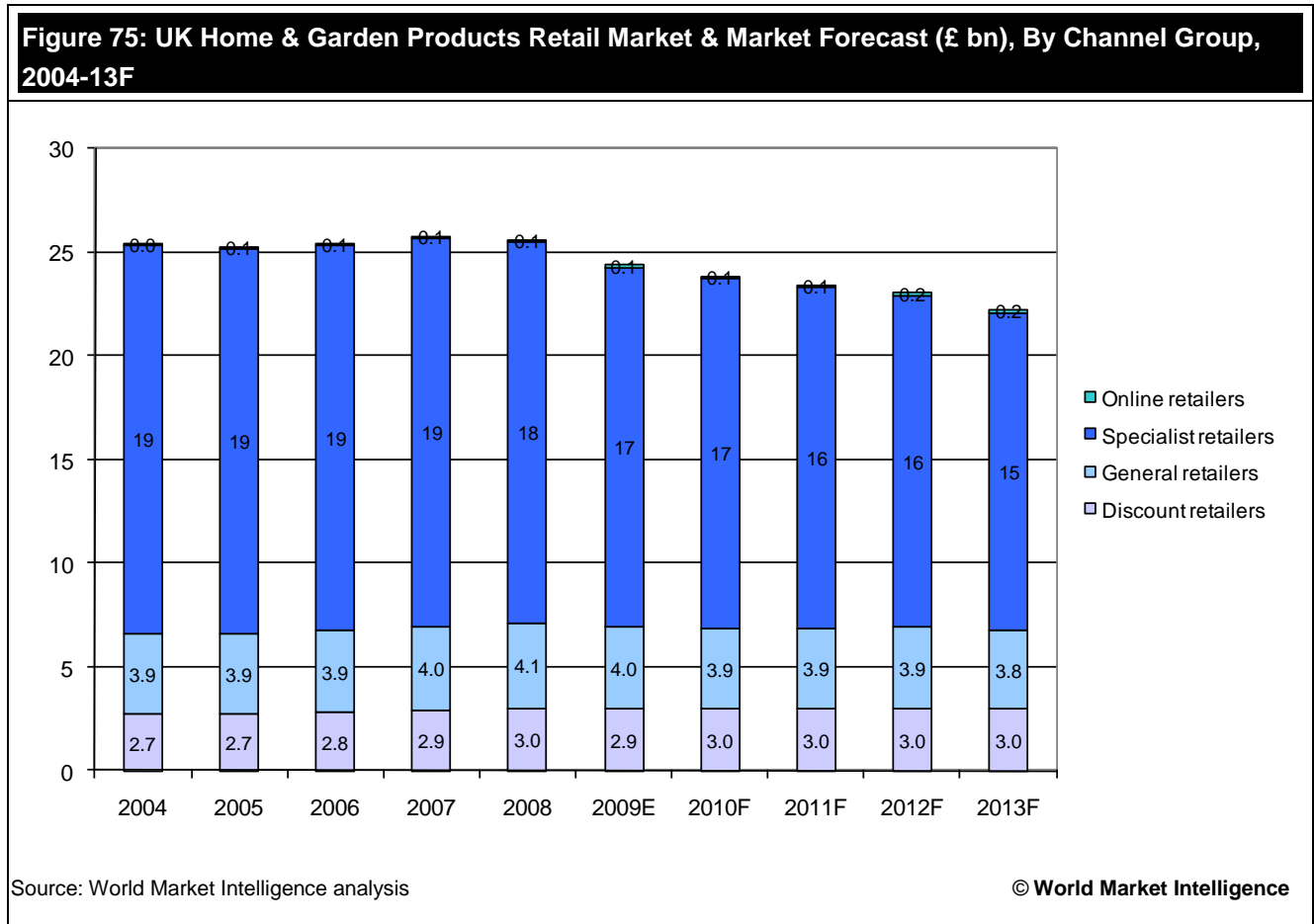
Table 202: UK Home & Garden Products Retail Market Forecast (US\$ bn), By Category, 2008-2013

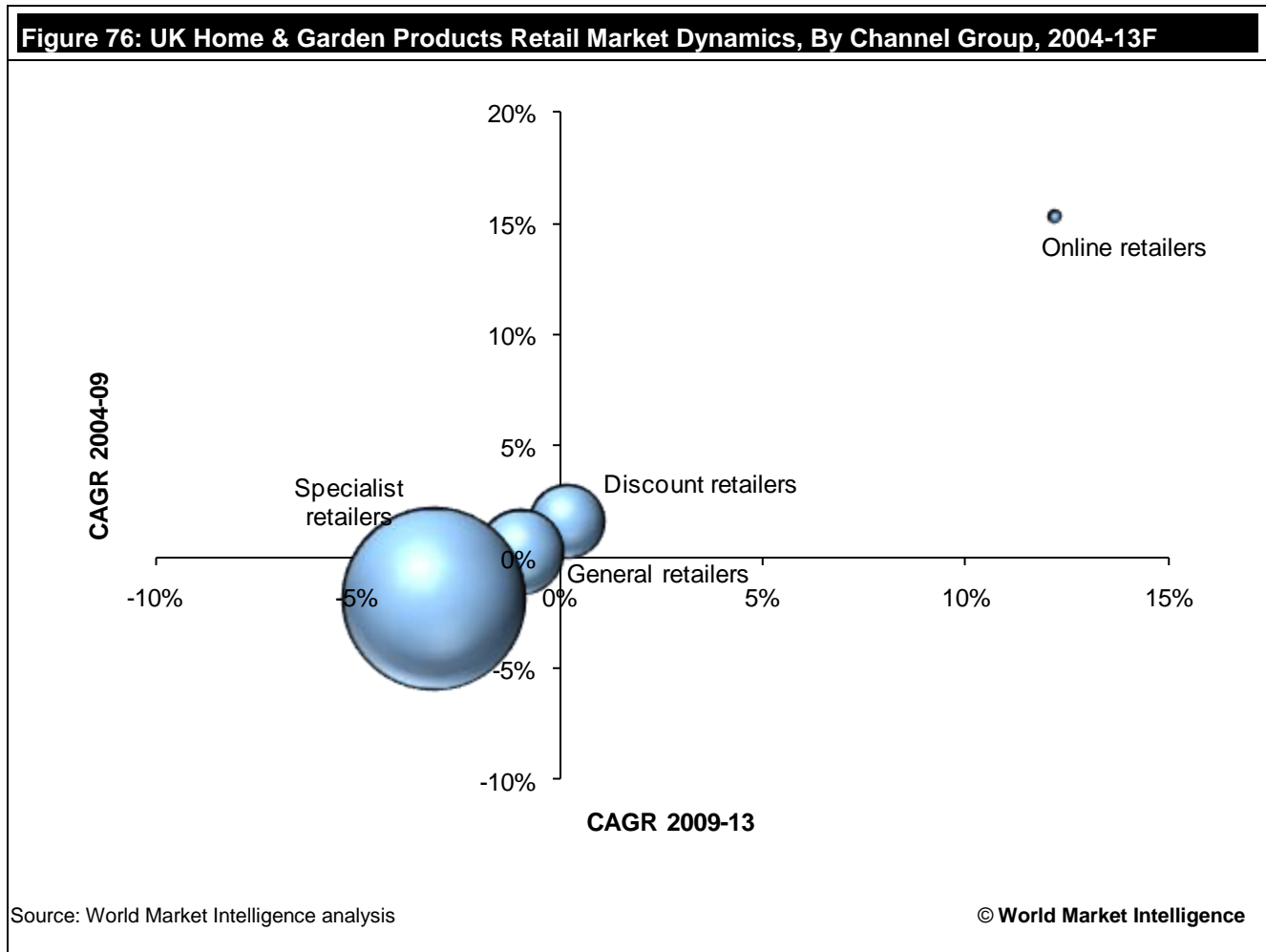
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Gardening & outdoor living	8.3	8.0	7.9	7.8	7.7	7.5	-2.2%	-1.7%
Home improvement	18.7	17.5	16.8	16.1	15.5	14.7	-4.8%	-4.3%
Homewares	20.4	19.7	19.6	19.5	19.5	19.2	-1.3%	-0.7%
Overall	47.5	45.2	44.2	43.4	42.7	41.3	-2.8%	-2.3%

Source: World Market Intelligence analysis © World Market Intelligence

15.3 Home & Garden Products Data By Channel Group

The following charts analyze UK home & garden products retail split out by channel group:





The following tables provide detailed data on UK home & garden products retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 203: UK Home & Garden Products Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	2.7	2.7	2.8	2.9	3.0	2.9	2.7%	1.7%
General retailers	3.9	3.9	3.9	4.0	4.1	4.0	1.4%	0.3%
Specialist retailers	18.7	18.5	18.6	18.7	18.4	17.4	-0.5%	-1.5%
Online retailers	0.0	0.1	0.1	0.1	0.1	0.1	17.1%	15.9%
Overall	25.4	25.2	25.4	25.8	25.6	24.4	0.2%	-0.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 204: UK Home & Garden Products Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	3.0	2.9	3.0	3.0	3.0	3.0	-0.3%	0.2%
General retailers	4.1	4.0	3.9	3.9	3.9	3.8	-1.5%	-1.0%
Specialist retailers	18.4	17.4	16.8	16.4	16.0	15.3	-3.6%	-3.1%
Online retailers	0.1	0.1	0.1	0.1	0.2	0.2	12.0%	12.2%
Overall	25.6	24.4	23.8	23.4	23.0	22.3	-2.6%	-2.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 205: UK Home & Garden Products Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	10.7%	11.8%	12.1%	13.3%
General retailers	15.4%	16.1%	16.3%	17.2%
Specialist retailers	73.8%	71.7%	71.2%	68.8%
Online retailers	0.2%	0.4%	0.4%	0.7%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 206: UK Home & Garden Products Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	5.0	5.1	5.2	5.4	5.6	5.5	2.7%	1.7%
General retailers	7.2	7.2	7.3	7.5	7.6	7.4	1.4%	0.3%
Specialist retailers	34.7	34.4	34.5	34.7	34.1	32.2	-0.5%	-1.5%
Online retailers	0.1	0.1	0.1	0.2	0.2	0.2	17.1%	15.9%
Overall	47.1	46.8	47.1	47.8	47.5	45.2	0.2%	-0.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 207: UK Home & Garden Products Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	5.6	5.5	5.5	5.5	5.6	5.5	-0.3%	0.2%
General retailers	7.6	7.4	7.3	7.3	7.2	7.1	-1.5%	-1.0%
Specialist retailers	34.1	32.2	31.2	30.4	29.7	28.4	-3.6%	-3.1%
Online retailers	0.2	0.2	0.2	0.2	0.3	0.3	12.0%	12.2%
Overall	47.5	45.2	44.2	43.4	42.7	41.3	-2.6%	-2.8%

Source: World Market Intelligence analysis © World Market Intelligence

15.4 Gardening & Outdoor Living

Figure 77: UK Gardening & Outdoor Living Retail Market (£ bn), By Channel Group, 2004-13F

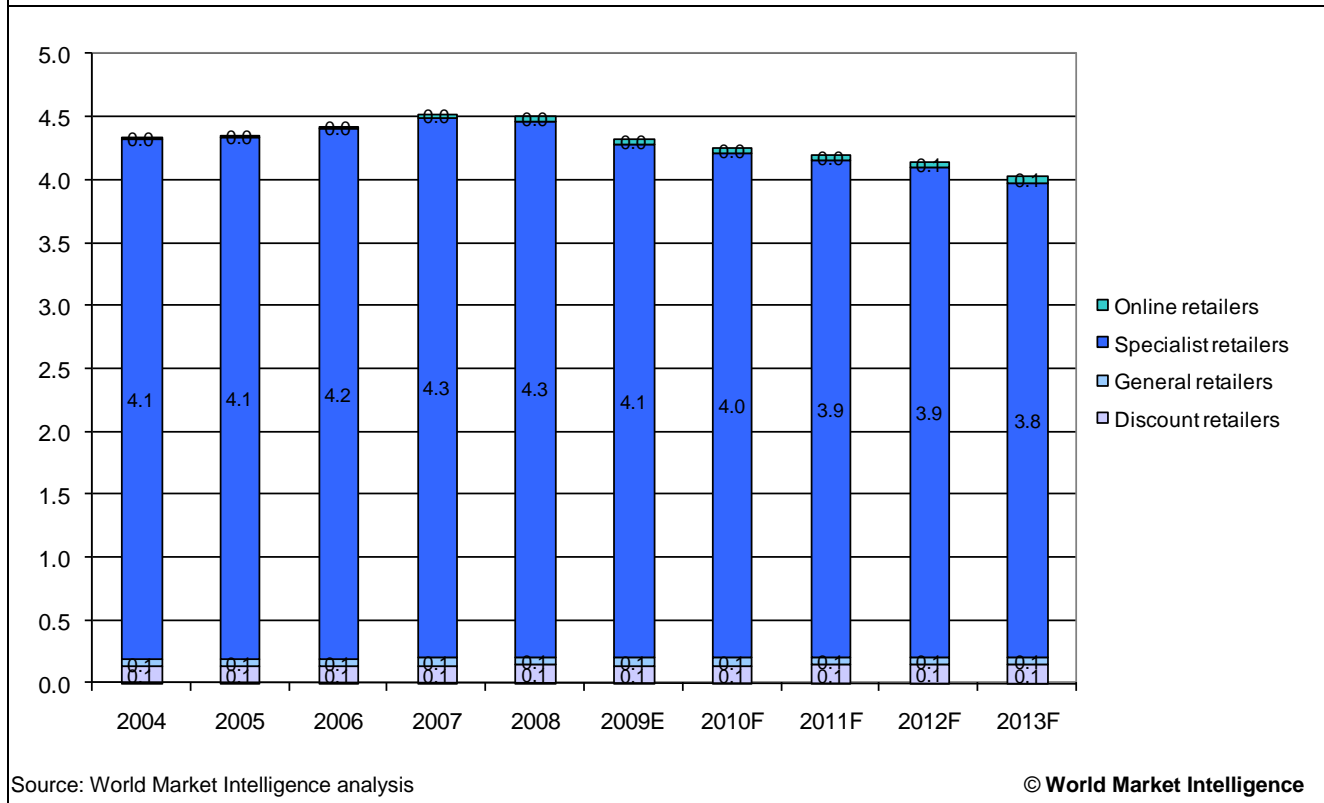


Table 208: UK Gardening & Outdoor Living Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	2.9%	1.9%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	2.3%	1.3%
Specialist retailers	4.1	4.1	4.2	4.3	4.3	4.1	0.8%	-0.3%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	17.9%	16.7%
Overall	4.3	4.4	4.4	4.5	4.5	4.3	0.9%	-0.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 209: UK Gardening & Outdoor Living Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	-0.2%	0.3%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	-0.7%	-0.1%
Specialist retailers	4.3	4.1	4.0	3.9	3.9	3.8	-2.4%	-2.0%
Online retailers	0.0	0.0	0.0	0.0	0.1	0.1	12.7%	12.9%
Overall	4.5	4.3	4.2	4.2	4.1	4.0	-2.0%	-2.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 210: UK Gardening & Outdoor Living Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	2.9%	3.2%	3.2%	3.5%
General retailers	1.4%	1.5%	1.5%	1.6%
Specialist retailers	95.3%	94.6%	94.5%	93.5%
Online retailers	0.4%	0.7%	0.8%	1.4%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

15.5 Home Improvement

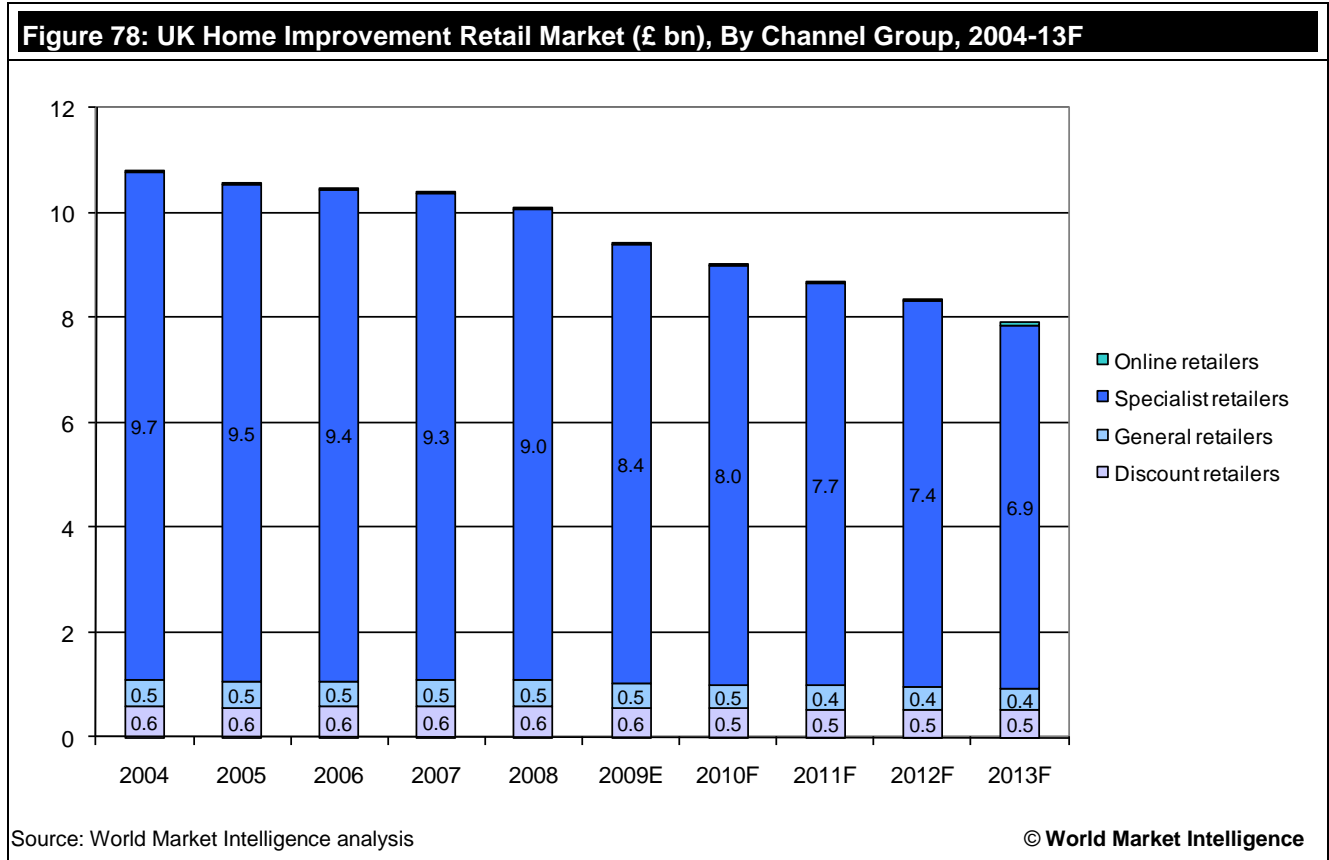


Table 211: UK Home Improvement Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.6	0.6	0.6	0.6	0.6	0.6	0.2%	-0.8%
General retailers	0.5	0.5	0.5	0.5	0.5	0.5	-0.4%	-1.5%
Specialist retailers	9.7	9.5	9.4	9.3	9.0	8.4	-1.9%	-2.9%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	15.2%	14.0%
Overall	10.8	10.6	10.5	10.4	10.1	9.4	-1.7%	-2.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 212: UK Home Improvement Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.6	0.6	0.5	0.5	0.5	0.5	-2.8%	-2.3%
General retailers	0.5	0.5	0.5	0.4	0.4	0.4	-3.4%	-2.9%
Specialist retailers	9.0	8.4	8.0	7.7	7.4	6.9	-5.1%	-4.6%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.1	10.1%	10.3%
Overall	10.1	9.4	9.0	8.7	8.4	7.9	-4.6%	-4.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 213: UK Home Improvement Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	5.4%	5.8%	5.9%	6.4%
General retailers	4.7%	4.9%	5.0%	5.3%
Specialist retailers	89.8%	89.0%	88.7%	87.6%
Online retailers	0.2%	0.3%	0.4%	0.6%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

15.6 Housewares

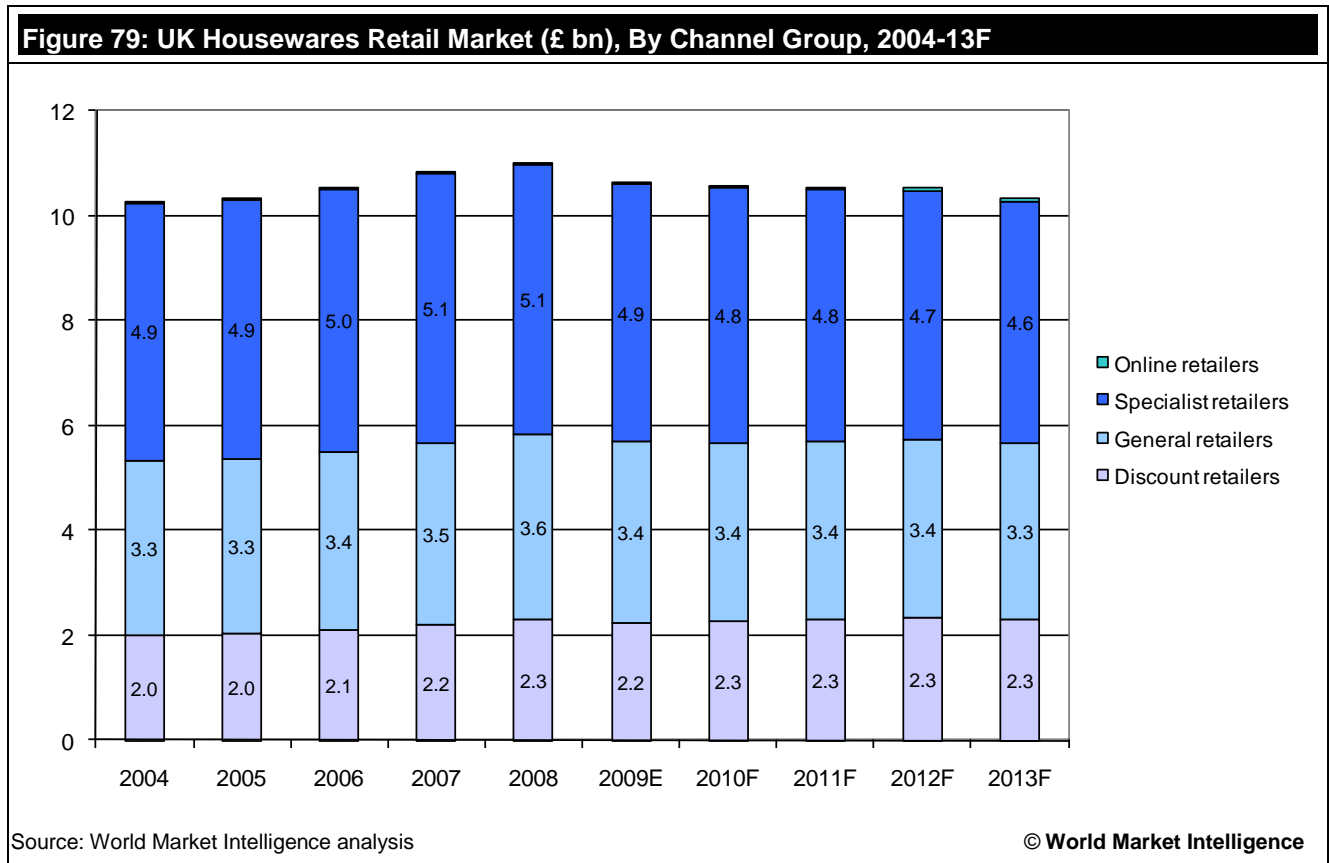


Table 214: UK Housewares Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	2.0	2.0	2.1	2.2	2.3	2.2	3.4%	2.3%
General retailers	3.3	3.3	3.4	3.5	3.6	3.4	1.6%	0.6%
Specialist retailers	4.9	4.9	5.0	5.1	5.1	4.9	1.1%	0.1%
Online retailers	0.0	0.0	0.0	0.0	0.0	0.0	18.4%	17.2%
Overall	10.3	10.3	10.5	10.8	11.0	10.6	1.8%	0.7%

Source: World Market Intelligence analysis © World Market Intelligence

Table 215: UK Housewares Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	2.3	2.2	2.3	2.3	2.3	2.3	0.3%	0.8%
General retailers	3.6	3.4	3.4	3.4	3.4	3.3	-1.3%	-0.7%
Specialist retailers	5.1	4.9	4.8	4.8	4.7	4.6	-2.1%	-1.6%
Online retailers	0.0	0.0	0.0	0.0	0.1	0.1	13.2%	13.4%
Overall	11.0	10.6	10.6	10.5	10.5	10.3	-1.1%	-1.3%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 216: UK Housewares Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	19.5%	20.8%	21.1%	22.4%
General retailers	32.5%	32.3%	32.3%	32.3%
Specialist retailers	47.8%	46.6%	46.3%	44.7%
Online retailers	0.2%	0.3%	0.3%	0.6%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

16 Category Analysis: Music, Video & Entertainment Software

This chapter considers the UK music, video & entertainment software category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

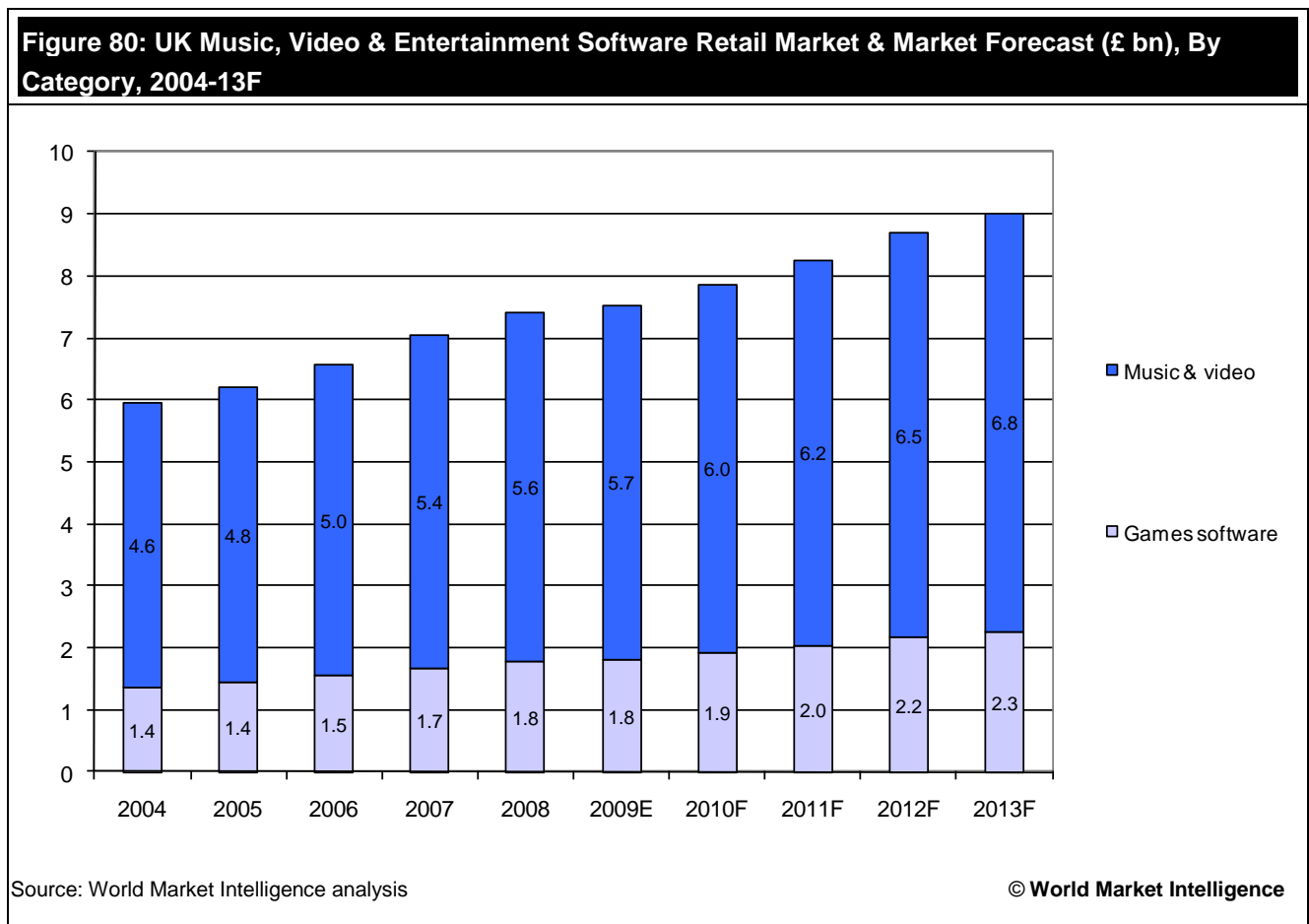
16.1 Music, Video & Entertainment Software Category Overview

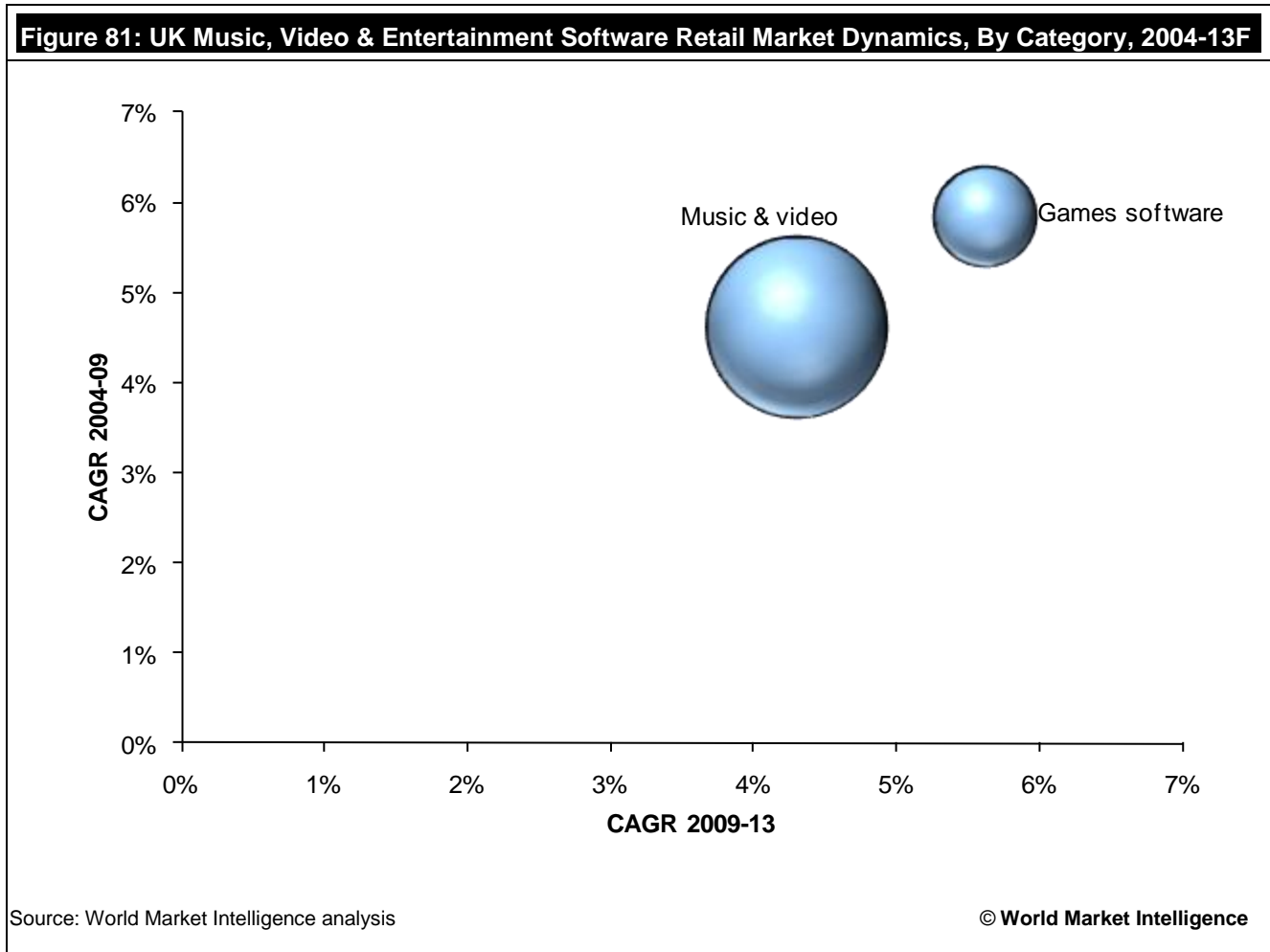
Music & video & entertainment software is split into games software, and music & video.

Games software includes games for domestic games consoles, handheld games consoles, mobile phones and other wireless devices, and games for PC/Mac desktop computers. Online games are excluded (e.g. Second Life). Console hardware sales are excluded. Music & video includes prerecorded music singles, CDs, VCDs, DVDs and Blu-Ray disks, plus paid downloadable music/video.

16.2 Music, Video & Entertainment Software Data By Category

The following charts analyze UK music, video & entertainment software retail split out by category:





The following tables provide detailed data on UK music, video & entertainment software retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 217: UK Music, Video & Entertainment Software Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Games software	1.4	1.4	1.5	1.7	1.8	1.8	6.7%	5.8%
Music & video	4.6	4.8	5.0	5.4	5.6	5.7	5.4%	4.5%
Overall	5.9	6.2	6.6	7.0	7.4	7.5	5.7%	4.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 218: UK Music, Video & Entertainment Software Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Games software	1.8	1.8	1.9	2.0	2.2	2.3	5.0%	5.6%
Music & video	5.6	5.7	6.0	6.2	6.5	6.8	3.7%	4.3%
Overall	7.4	7.5	7.9	8.3	8.7	9.0	4.0%	4.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 219: UK Music, Video & Entertainment Software Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Games software	23.0%	23.3%	23.5%	23.7%
Music & video	77.0%	76.7%	76.5%	76.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 220: UK Music, Video & Entertainment Software Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Games software	2.5	2.7	2.9	3.1	3.3	3.4	6.7%	5.8%
Music & video	8.5	8.8	9.3	10.0	10.5	10.6	5.4%	4.5%
Overall	11.0	11.5	12.2	13.1	13.7	14.0	5.7%	4.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 221: UK Music, Video & Entertainment Software Retail Market Forecast (US\$ bn), By Category, 2008-2013

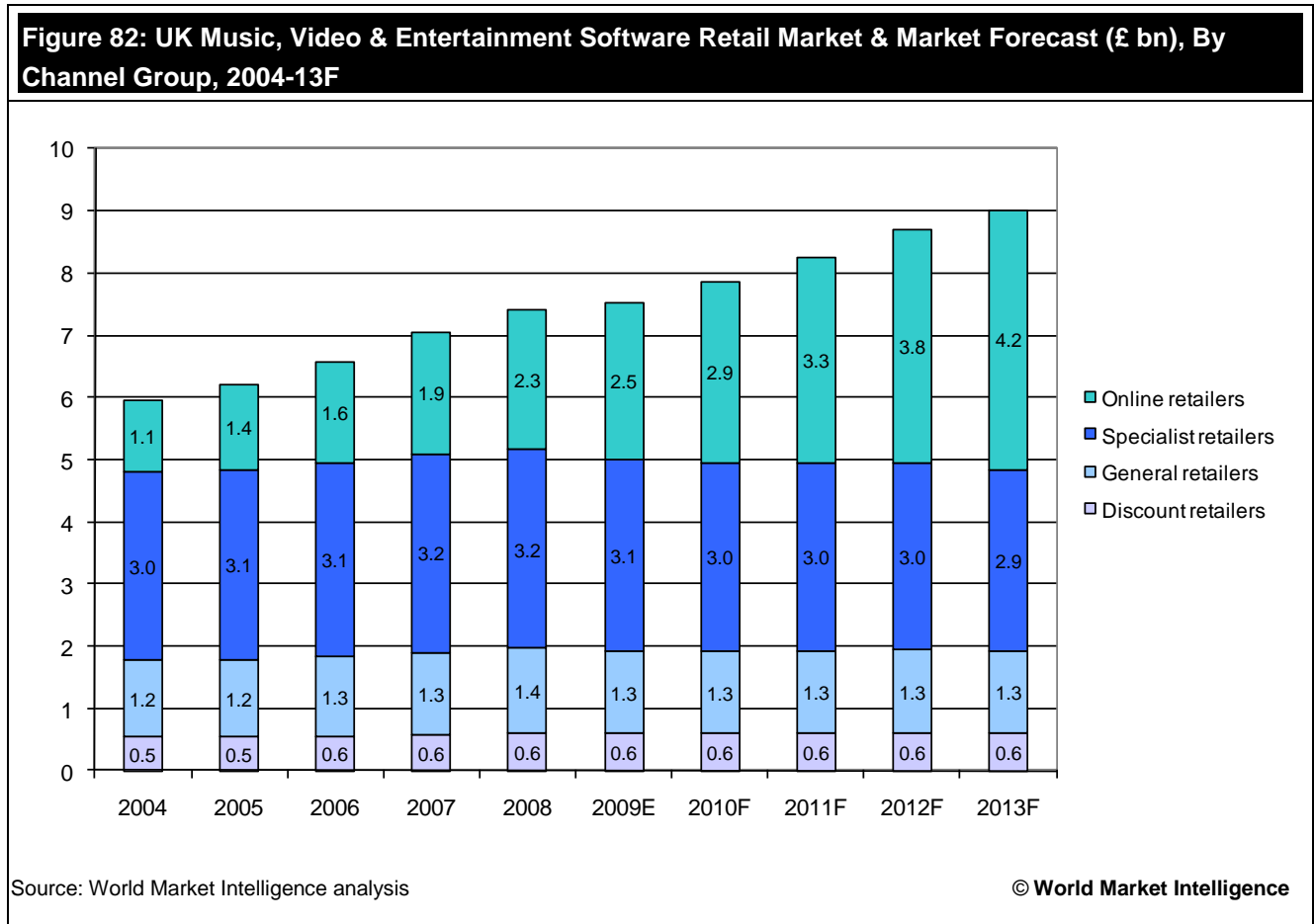
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Games software	3.3	3.4	3.6	3.8	4.0	4.2	5.0%	5.6%
Music & video	10.5	10.6	11.0	11.6	12.1	12.5	3.7%	4.3%
Overall	13.7	14.0	14.6	15.3	16.1	16.7	4.0%	4.6%

Source: World Market Intelligence analysis

© World Market Intelligence

16.3 Music, Video & Entertainment Software Data By Channel Group

The following charts analyze UK music, video & entertainment software retail split out by channel group:



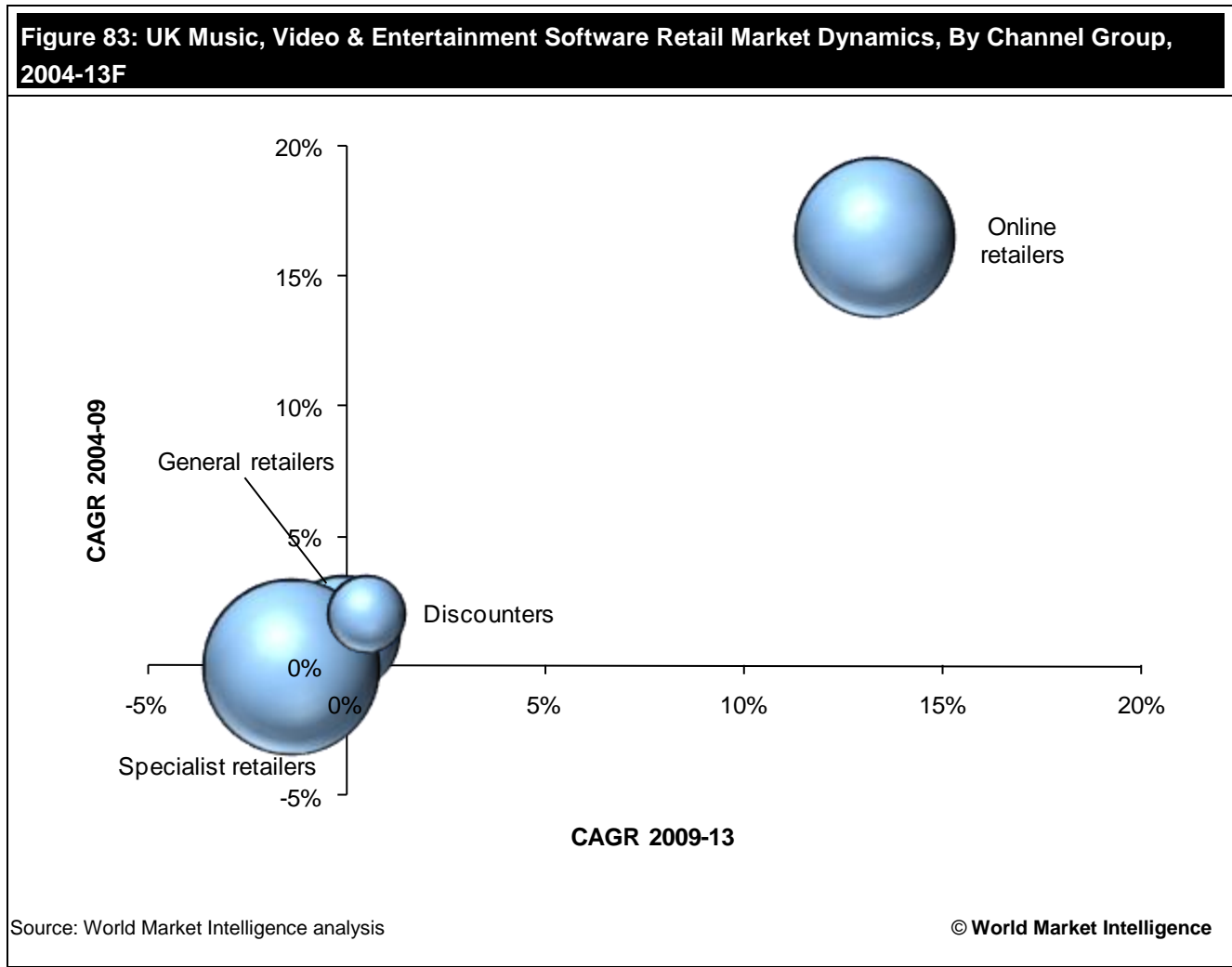


Table 222: UK Music, Video & Entertainment Software Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.5	0.5	0.6	0.6	0.6	0.6	3.1%	2.1%
General retailers	1.2	1.2	1.3	1.3	1.4	1.3	2.4%	1.3%
Specialist retailers	3.0	3.1	3.1	3.2	3.2	3.1	1.4%	0.3%
Online retailers	1.1	1.4	1.6	1.9	2.3	2.5	18.3%	17.1%
Overall	5.9	6.2	6.6	7.0	7.4	7.5	5.7%	4.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 223: UK Music, Video & Entertainment Software Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.6	0.6	0.6	0.6	0.6	0.6	0.0%	0.5%
General retailers	1.4	1.3	1.3	1.3	1.3	1.3	-0.6%	-0.1%
Specialist retailers	3.2	3.1	3.0	3.0	3.0	2.9	-1.8%	-1.4%
Online retailers	2.3	2.5	2.9	3.3	3.8	4.2	13.1%	13.3%
Overall	7.4	7.5	7.9	8.3	8.7	9.0	4.1%	4.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 224: UK Music, Video & Entertainment Software Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	9.0%	8.1%	7.8%	6.7%
General retailers	20.8%	18.4%	17.6%	14.6%
Specialist retailers	50.9%	43.1%	40.9%	32.3%
Online retailers	19.3%	30.4%	33.7%	46.4%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 225: UK Music, Video & Entertainment Software Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	1.0	1.0	1.0	1.1	1.1	1.1	3.1%	2.1%
General retailers	2.3	2.3	2.4	2.5	2.5	2.5	2.4%	1.3%
Specialist retailers	5.6	5.7	5.8	5.9	5.9	5.7	1.4%	0.3%
Online retailers	2.1	2.5	3.0	3.6	4.2	4.7	18.3%	17.1%
Overall	11.0	11.5	12.2	13.1	13.7	14.0	5.7%	4.8%

Source: World Market Intelligence analysis © World Market Intelligence

Table 226: UK Music, Video & Entertainment Software Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	1.1	1.1	1.1	1.1	1.1	1.1	0.0%	0.5%
General retailers	2.5	2.5	2.5	2.5	2.5	2.5	-0.6%	-0.1%
Specialist retailers	5.9	5.7	5.6	5.6	5.5	5.4	-1.8%	-1.4%
Online retailers	4.2	4.7	5.4	6.2	7.0	7.8	13.1%	13.3%
Overall	13.7	14.0	14.6	15.3	16.1	16.7	4.1%	4.0%

Source: World Market Intelligence analysis © World Market Intelligence

16.4 Games Software

Figure 84: UK Games Software Retail Market (£ bn), By Channel Group, 2004-13F

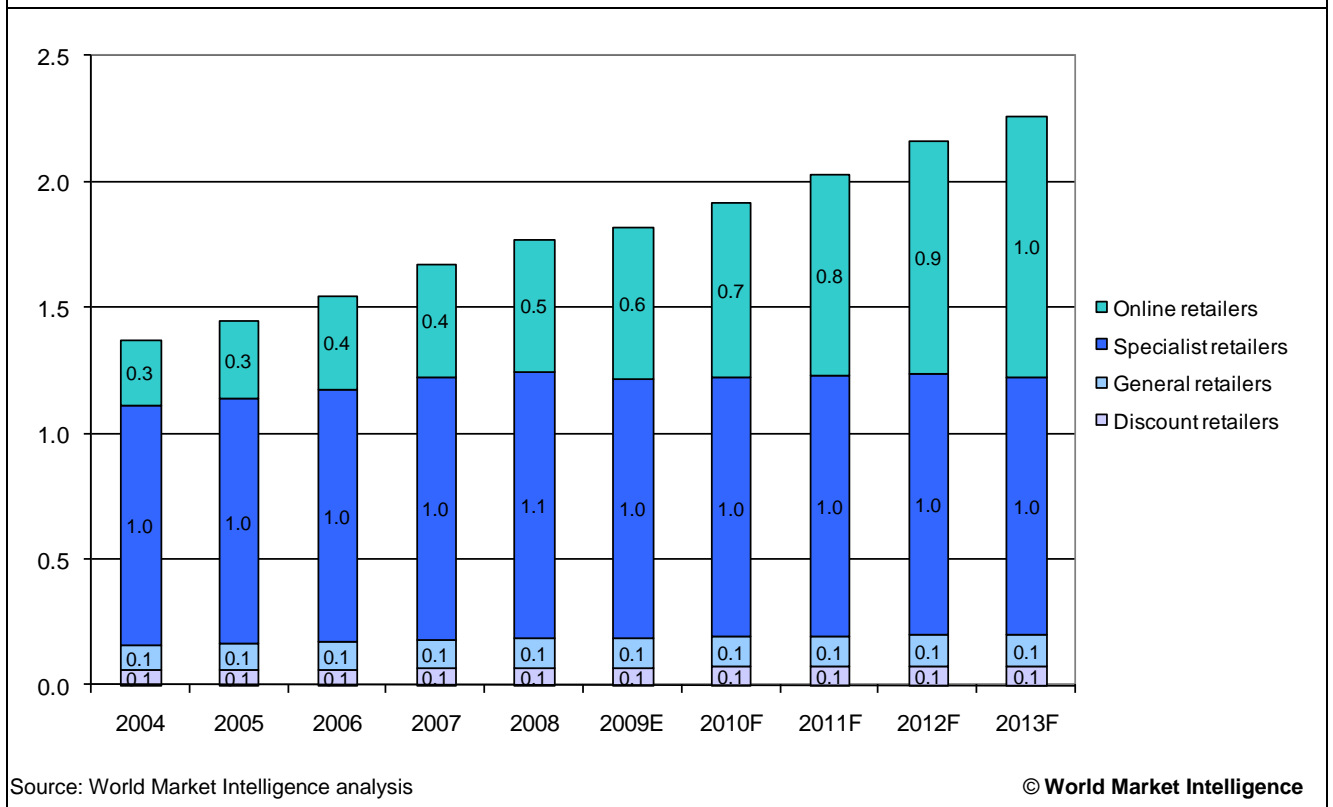


Table 227: UK Games Software Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	4.7%	3.7%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	4.1%	3.1%
Specialist retailers	1.0	1.0	1.0	1.0	1.1	1.0	2.6%	1.5%
Online retailers	0.3	0.3	0.4	0.4	0.5	0.6	19.7%	18.5%
Overall	1.4	1.4	1.5	1.7	1.8	1.8	6.7%	5.8%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 228: UK Games Software Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	1.6%	2.1%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	1.1%	1.6%
Specialist retailers	1.1	1.0	1.0	1.0	1.0	1.0	-0.6%	-0.2%
Online retailers	0.5	0.6	0.7	0.8	0.9	1.0	14.5%	14.7%
Overall	1.8	1.8	1.9	2.0	2.2	2.3	5.1%	5.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 229: UK Games Software Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	4.2%	3.9%	3.8%	3.3%
General retailers	7.4%	6.7%	6.5%	5.5%
Specialist retailers	69.7%	59.7%	56.8%	45.3%
Online retailers	18.7%	29.7%	33.0%	45.9%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

16.5 Music & Video

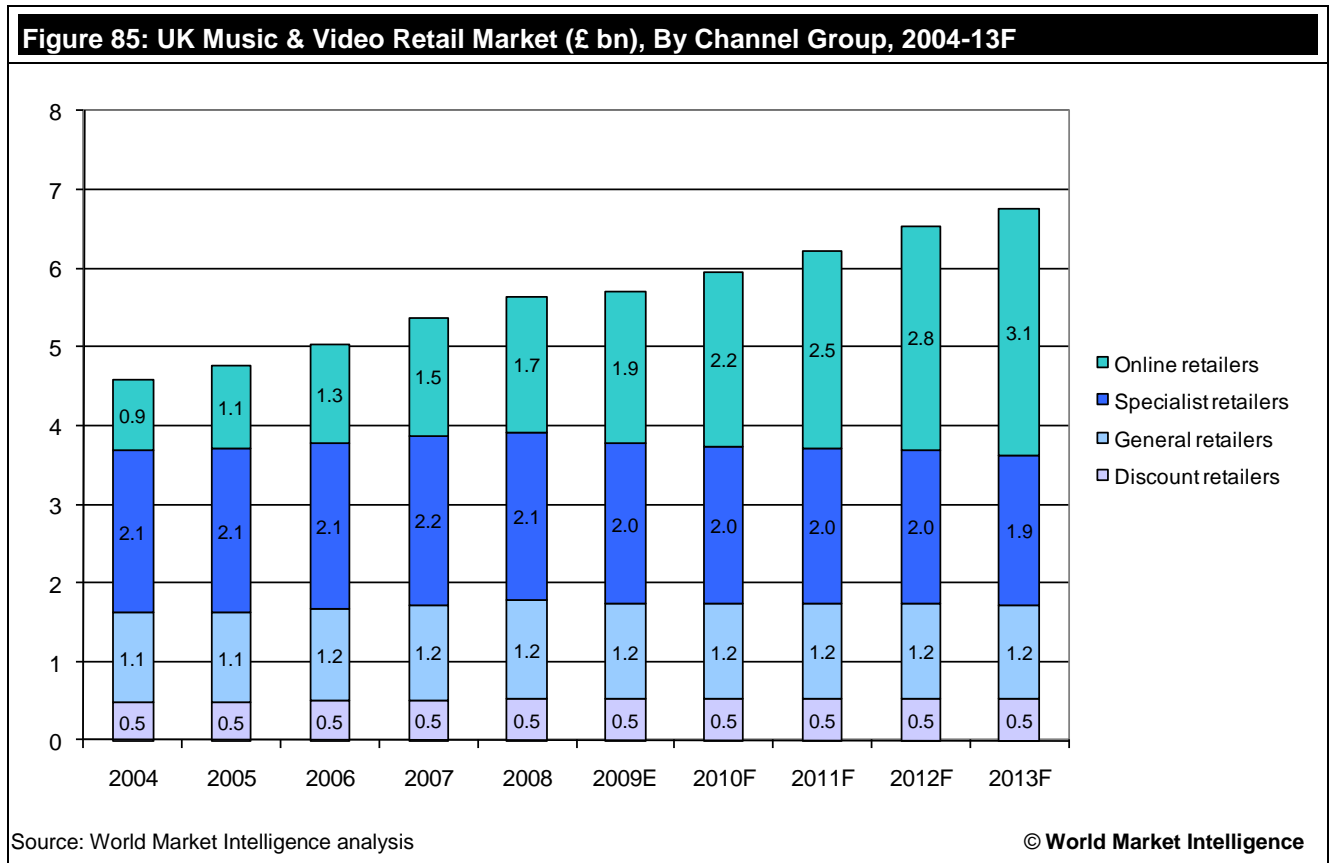


Table 230: UK Music & Video Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.5	0.5	0.5	0.5	0.5	0.5	2.9%	1.9%
General retailers	1.1	1.1	1.2	1.2	1.2	1.2	2.2%	1.2%
Specialist retailers	2.1	2.1	2.1	2.2	2.1	2.0	0.8%	-0.3%
Online retailers	0.9	1.1	1.3	1.5	1.7	1.9	17.9%	16.7%
Overall	4.6	4.8	5.0	5.4	5.6	5.7	5.4%	4.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 231: UK Music & Video Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.5	0.5	0.5	0.5	0.5	0.5	-0.2%	0.3%
General retailers	1.2	1.2	1.2	1.2	1.2	1.2	-0.8%	-0.2%
Specialist retailers	2.1	2.0	2.0	2.0	2.0	1.9	-2.4%	-2.0%
Online retailers	1.7	1.9	2.2	2.5	2.8	3.1	12.7%	12.9%
Overall	5.6	5.7	6.0	6.2	6.5	6.8	3.8%	3.7%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 232: UK Music & Video Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	10.4%	9.5%	9.1%	7.8%
General retailers	24.9%	22.0%	21.2%	17.7%
Specialist retailers	45.2%	37.9%	35.8%	28.0%
Online retailers	19.5%	30.6%	33.9%	46.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

17 Category Analysis: Sports & Leisure Equipment

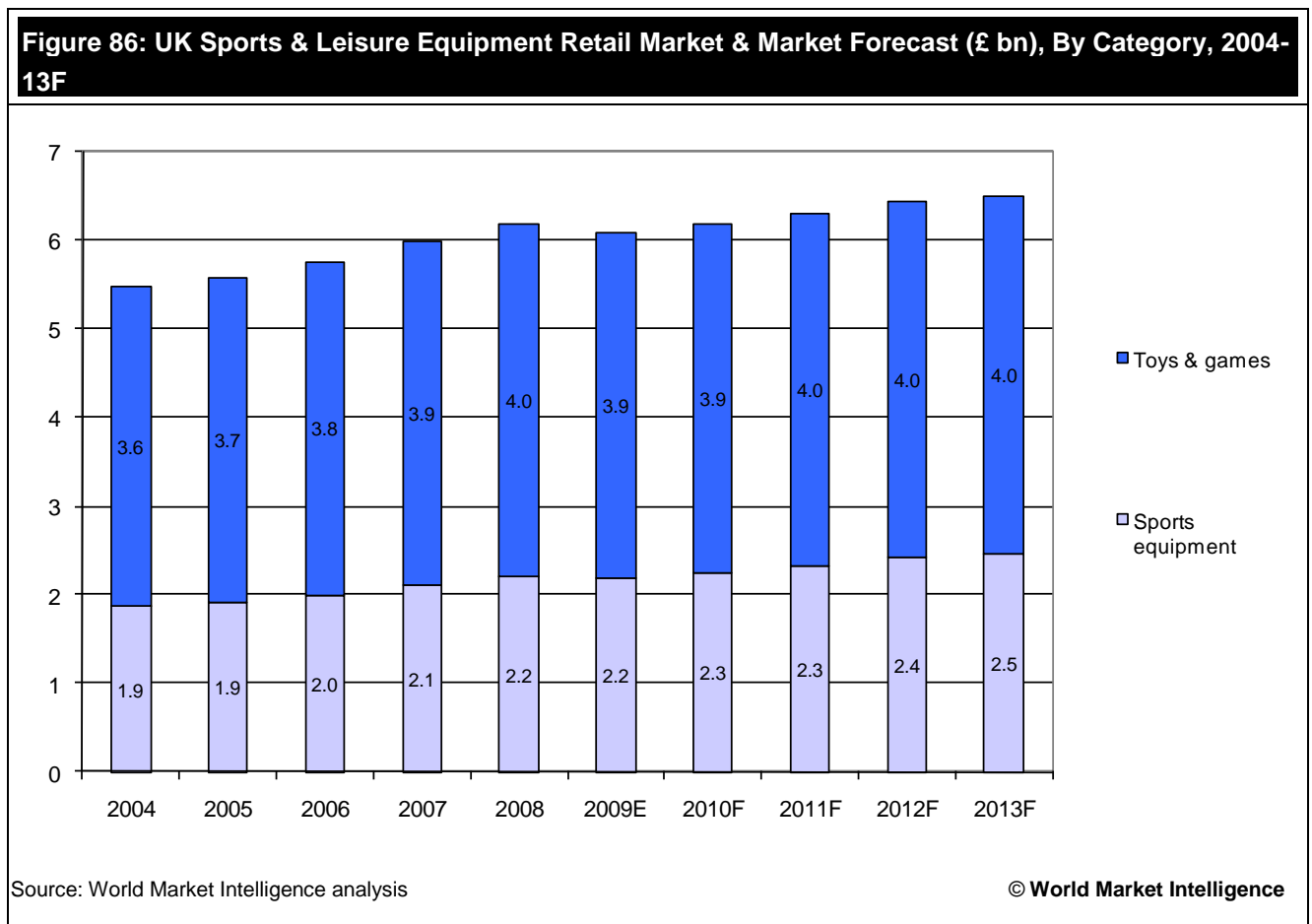
This chapter considers the UK sports & leisure equipment category group. Data is presented breaking down the group by the categories that it is made of, and the channels that the category group is sold through.

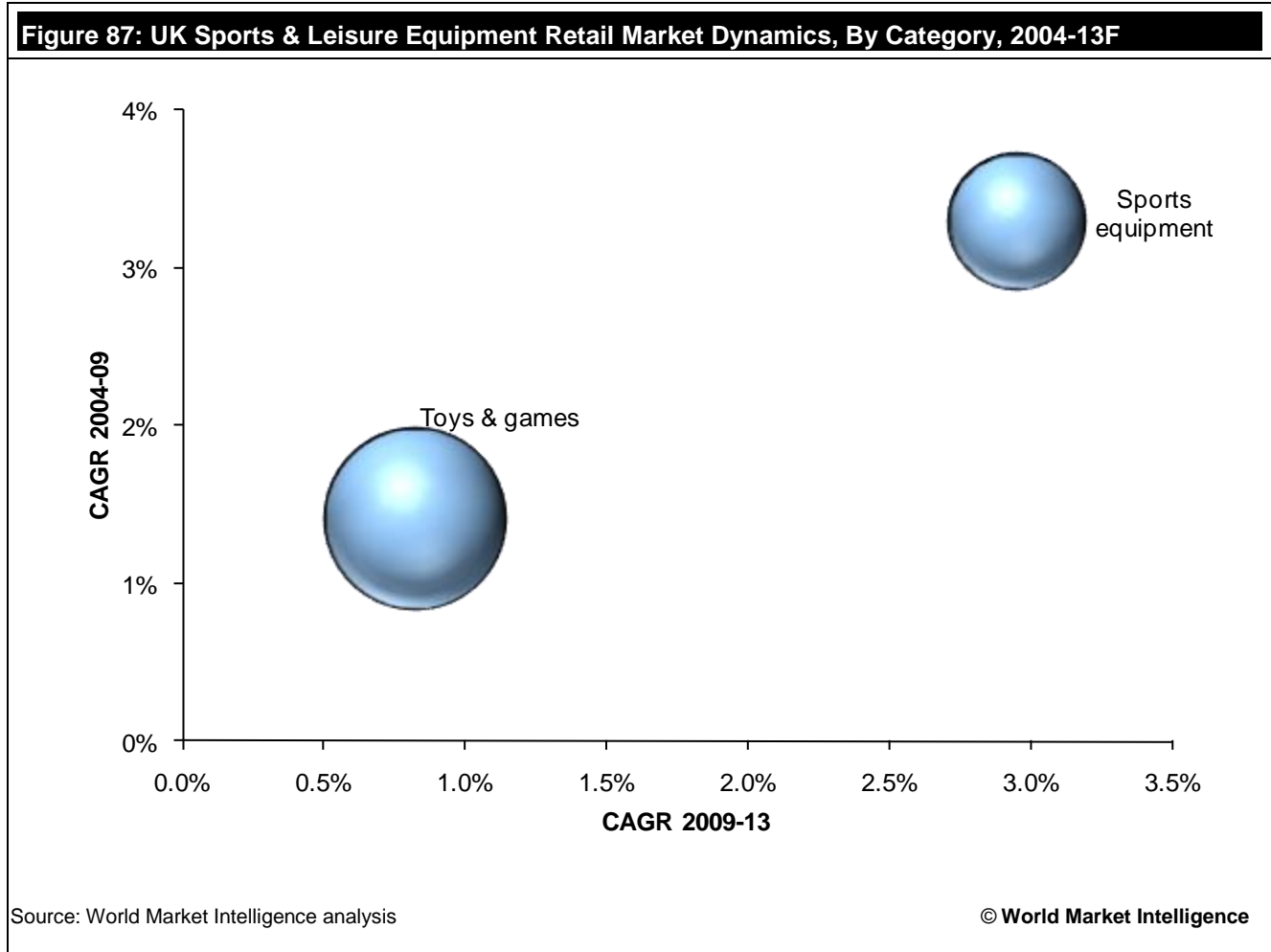
17.1 Sports & Leisure Equipment Category Overview

Sports & leisure equipment is made up of sports equipment and toys & games. Sports equipment includes ball sports equipment, adventure sports equipment, fishing equipment, golf equipment, racket sports equipment, winter sports equipment, and all other sports-dedicated equipment sold at retail. Toys & games includes retail sales of action figures, activity toys, dolls, games, infant/baby toys, miniature models, plush toys, puzzles, ride-on model toys, and toy vehicles.

17.2 Sports & Leisure Equipment Data By Category

The following charts analyze UK sports & leisure equipment retail split out by category:





The following tables provide detailed data on UK sports & leisure equipment retail historic and forecast values, growth and share, by category, presented in £ and in US\$ at constant 2008 exchange rates:

Table 233: UK Sports & Leisure Equipment Retail Market (£ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Sports equipment	1.9	1.9	2.0	2.1	2.2	2.2	4.2%	3.3%
Toys & games	3.6	3.7	3.8	3.9	4.0	3.9	2.4%	1.5%
Overall	5.5	5.6	5.8	6.0	6.2	6.1	3.0%	2.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 234: UK Sports & Leisure Equipment Retail Market Forecast (£ bn), By Category, 2008-2013

Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Sports equipment	2.2	2.2	2.3	2.3	2.4	2.5	2.3%	3.0%
Toys & games	4.0	3.9	3.9	4.0	4.0	4.0	0.2%	0.8%
Overall	6.2	6.1	6.2	6.3	6.4	6.5	1.0%	1.6%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 235: UK Sports & Leisure Equipment Retail Market Segmentation (% value), By Category, 2004-2013

Category	2004	2008	2009E	2013F
Sports equipment	34.0%	34.4%	34.7%	35.1%
Toys & games	66.0%	65.6%	65.3%	64.9%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 236: UK Sports & Leisure Equipment Retail Market (US\$ bn), By Category, 2004-09E

Category	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Sports equipment	3.5	3.6	3.7	3.9	4.1	4.1	4.2%	3.3%
Toys & games	6.7	6.8	7.0	7.2	7.4	7.2	2.4%	1.5%
Overall	10.2	10.4	10.7	11.1	11.5	11.3	3.0%	2.1%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 237: UK Sports & Leisure Equipment Retail Market Forecast (US\$ bn), By Category, 2008-2013

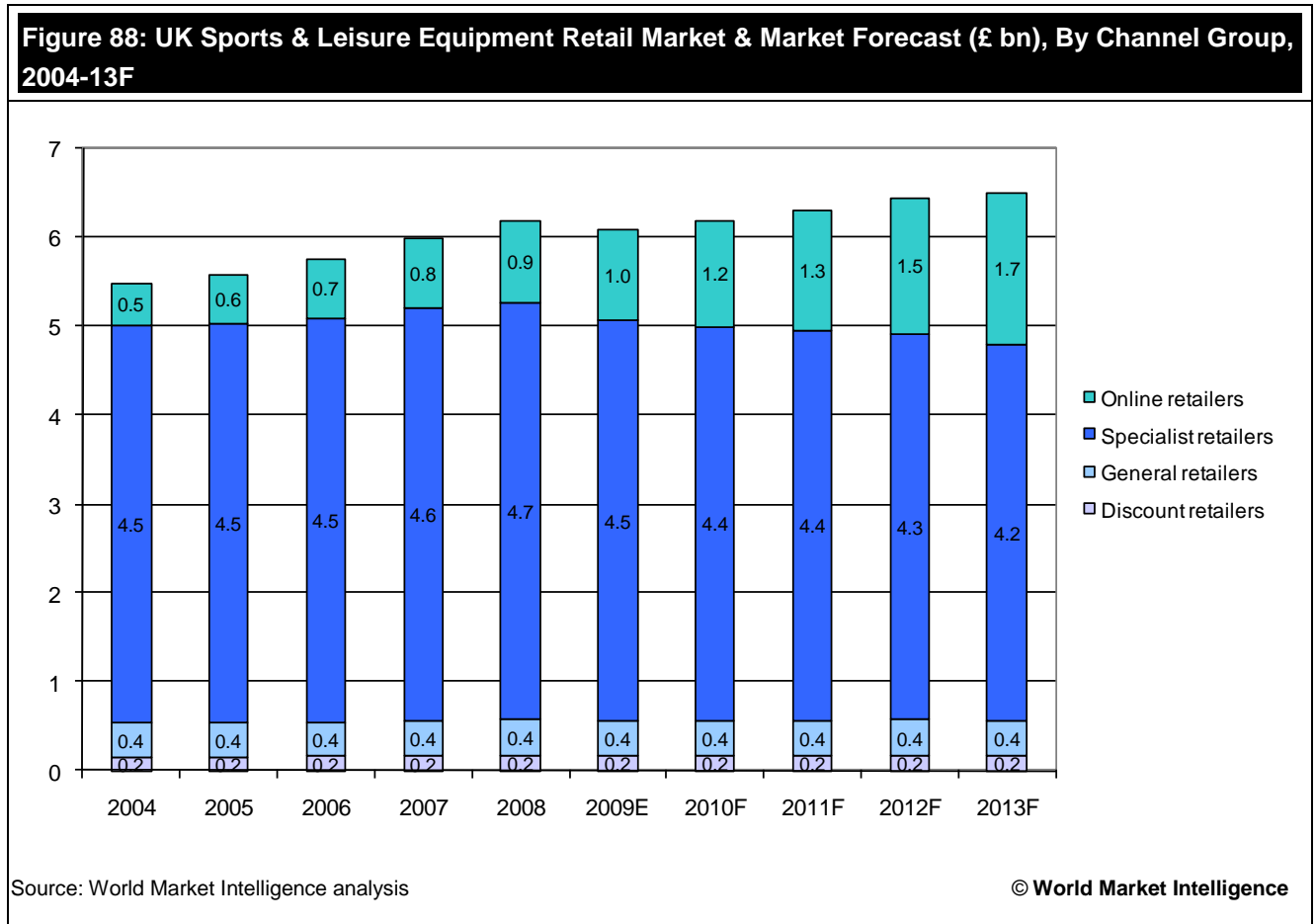
Category	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Sports equipment	4.1	4.1	4.2	4.3	4.5	4.6	2.3%	3.0%
Toys & games	7.4	7.2	7.3	7.4	7.5	7.5	0.2%	0.8%
Overall	11.5	11.3	11.5	11.7	12.0	12.0	1.0%	1.6%

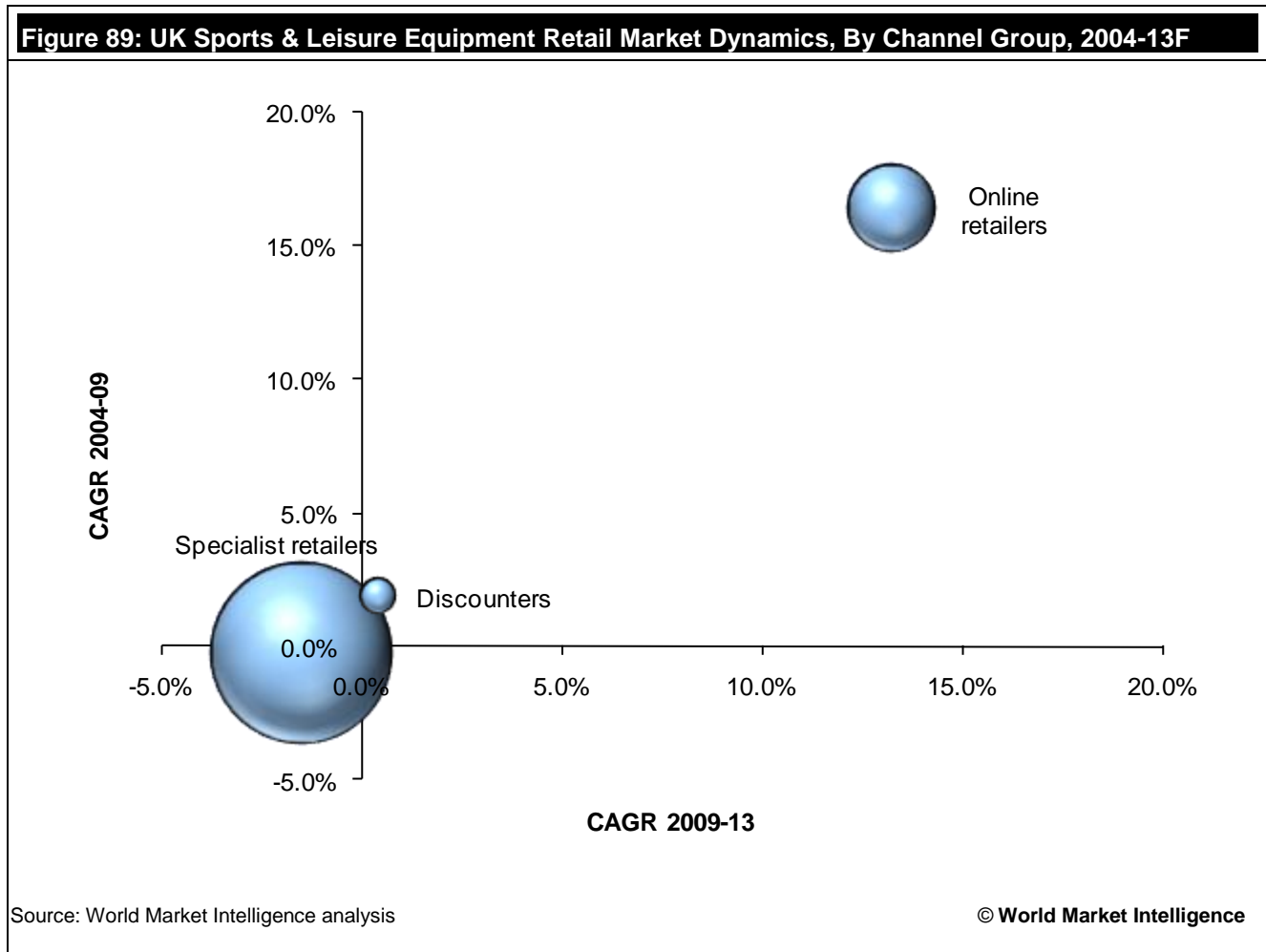
Source: World Market Intelligence analysis

© World Market Intelligence

17.3 Sports & Leisure Equipment Data By Channel Group

The following charts analyze UK sports & leisure equipment retail split out by channel group:





The following tables provide detailed data on UK sports & leisure equipment retail historic and forecast values, growth and share, by channel group, presented in £ and in US\$ at constant 2008 exchange rates:

Table 238: UK Sports & Leisure Equipment Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.2	0.2	0.2	0.2	0.2	0.2	3.0%	2.0%
General retailers	0.4	0.4	0.4	0.4	0.4	0.4	1.9%	0.9%
Specialist retailers	4.5	4.5	4.5	4.6	4.7	4.5	1.1%	0.0%
Online retailers	0.5	0.6	0.7	0.8	0.9	1.0	18.3%	17.1%
Overall	5.5	5.6	5.8	6.0	6.2	6.1	3.0%	2.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 239: UK Sports & Leisure Equipment Retail Market Forecast (£ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.2	0.2	0.2	0.2	0.2	0.2	-0.1%	0.4%
General retailers	0.4	0.4	0.4	0.4	0.4	0.4	-1.0%	-0.5%
Specialist retailers	4.7	4.5	4.4	4.4	4.3	4.2	-2.0%	-1.5%
Online retailers	0.9	1.0	1.2	1.3	1.5	1.7	13.1%	13.3%
Overall	6.2	6.1	6.2	6.3	6.4	6.5	1.1%	1.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 240: UK Sports & Leisure Equipment Retail Market Segmentation (% value), By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	2.8%	2.8%	2.8%	2.6%
General retailers	7.0%	6.7%	6.5%	6.0%
Specialist retailers	81.7%	75.7%	73.8%	65.2%
Online retailers	8.6%	14.9%	16.9%	26.2%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis © World Market Intelligence

Table 241: UK Sports & Leisure Equipment Retail Market (US\$ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	3.0%	2.0%
General retailers	0.7	0.7	0.7	0.7	0.8	0.7	1.9%	0.9%
Specialist retailers	8.3	8.3	8.4	8.6	8.7	8.3	1.1%	0.0%
Online retailers	0.9	1.0	1.2	1.5	1.7	1.9	18.3%	17.1%
Overall	10.2	10.4	10.7	11.1	11.5	11.3	3.0%	2.1%

Source: World Market Intelligence analysis © World Market Intelligence

Table 242: UK Sports & Leisure Equipment Retail Market Forecast (US\$ bn), By Channel Group, 2008-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.3	0.3	0.3	0.3	0.3	0.3	-0.1%	0.4%
General retailers	0.8	0.7	0.7	0.7	0.7	0.7	-1.0%	-0.5%
Specialist retailers	8.7	8.3	8.2	8.1	8.1	7.9	-2.0%	-1.5%
Online retailers	1.7	1.9	2.2	2.5	2.8	3.2	13.1%	13.3%
Overall	11.5	11.3	11.5	11.7	12.0	12.0	1.1%	1.0%

Source: World Market Intelligence analysis © World Market Intelligence

17.4 Sports Equipment

Figure 90: UK Sports Equipment Retail Market (£ bn), By Channel Group, 2004-13F

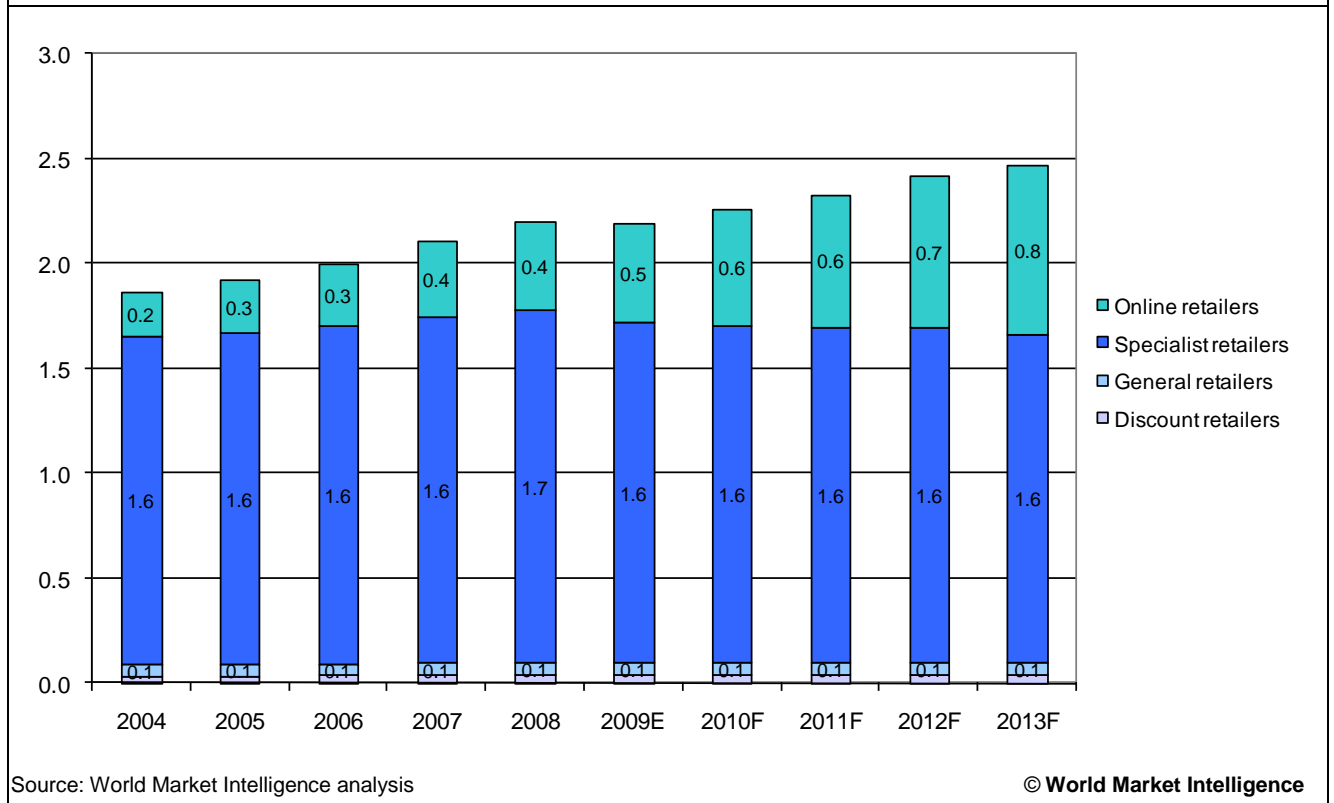


Table 243: UK Sports Equipment Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.0	0.0	0.0	0.0	0.0	0.0	3.8%	2.8%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	2.2%	1.1%
Specialist retailers	1.6	1.6	1.6	1.6	1.7	1.6	1.7%	0.7%
Online retailers	0.2	0.3	0.3	0.4	0.4	0.5	18.8%	17.6%
Overall	1.9	1.9	2.0	2.1	2.2	2.2	4.2%	3.3%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 244: UK Sports Equipment Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.0	0.0	0.0	0.0	0.0	0.0	0.7%	1.2%
General retailers	0.1	0.1	0.1	0.1	0.1	0.1	-0.7%	-0.2%
Specialist retailers	1.7	1.6	1.6	1.6	1.6	1.6	-1.4%	-0.8%
Online retailers	0.4	0.5	0.6	0.6	0.7	0.8	13.6%	13.8%
Overall	2.2	2.2	2.3	2.3	2.4	2.5	2.4%	2.3%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 245: UK Sports Equipment Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	1.7%	1.7%	1.7%	1.6%
General retailers	3.0%	2.8%	2.7%	2.4%
Specialist retailers	83.8%	76.2%	73.8%	63.5%
Online retailers	11.4%	19.3%	21.8%	32.5%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

17.5 Toys & Games

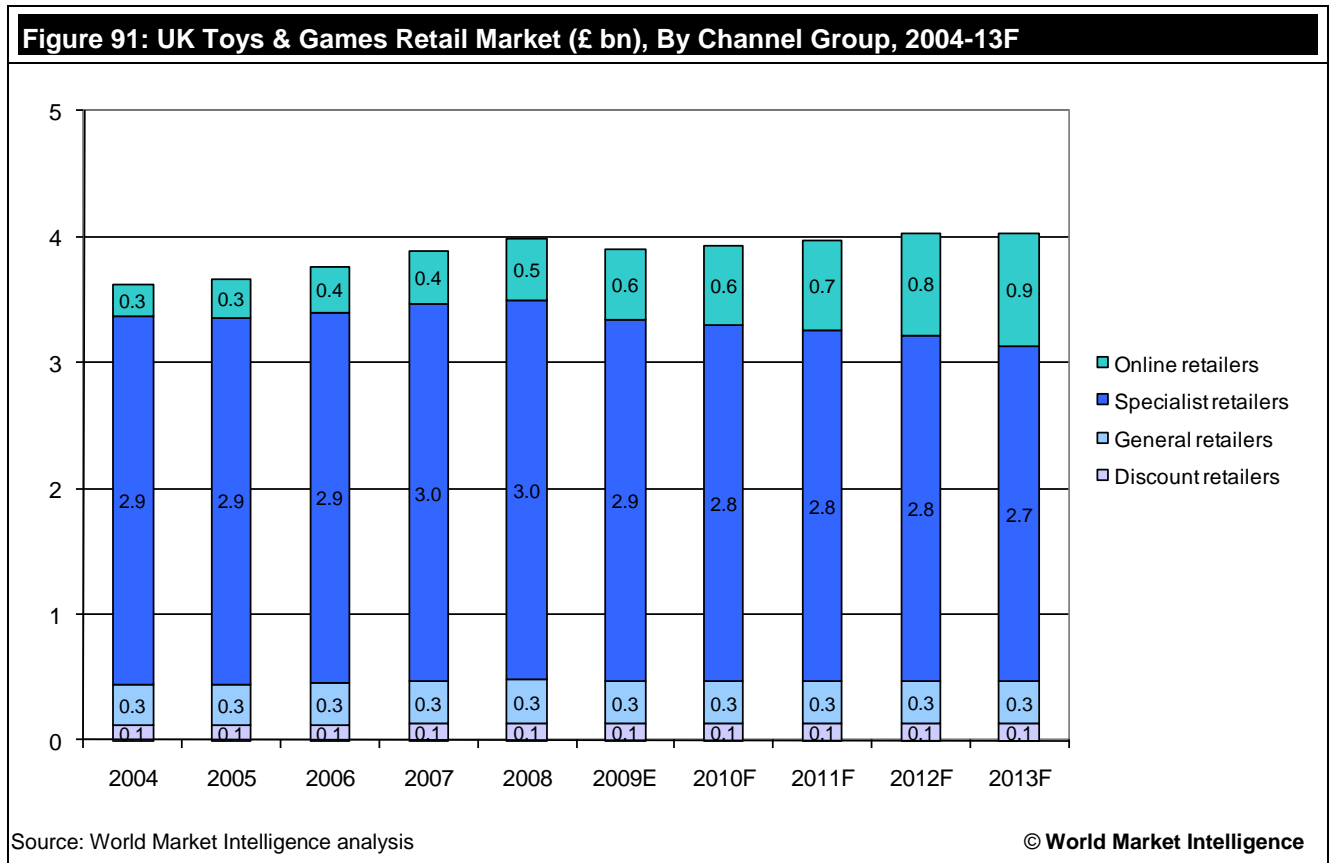


Table 246: UK Toys & Games Retail Market (£ bn), By Channel Group, 2004-09E

Channel group	2004	2005	2006	2007	2008	2009E	CAGR 2004-08	CAGR 2004-09
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	2.8%	1.8%
General retailers	0.3	0.3	0.3	0.3	0.3	0.3	1.9%	0.8%
Specialist retailers	2.9	2.9	2.9	3.0	3.0	2.9	0.7%	-0.3%
Online retailers	0.3	0.3	0.4	0.4	0.5	0.6	17.8%	16.6%
Overall	3.6	3.7	3.8	3.9	4.0	3.9	2.4%	1.5%

Source: World Market Intelligence analysis © World Market Intelligence

Table 247: UK Toys & Games Retail Market Forecast (£ bn), By Channel Group, 2009-2013

Channel group	2008	2009E	2010F	2011F	2012F	2013F	CAGR 2008-13	CAGR 2009-13
Discount retailers	0.1	0.1	0.1	0.1	0.1	0.1	-0.3%	0.2%
General retailers	0.3	0.3	0.3	0.3	0.3	0.3	-1.1%	-0.6%
Specialist retailers	3.0	2.9	2.8	2.8	2.8	2.7	-2.3%	-1.8%
Online retailers	0.5	0.6	0.6	0.7	0.8	0.9	12.6%	12.8%
Overall	4.0	3.9	3.9	4.0	4.0	4.0	0.3%	0.2%

Source: World Market Intelligence analysis

© World Market Intelligence

Table 248: UK Toys & Games Retail Market Segmentation, By Channel Group, 2004-2013

Channel group	2004	2008	2009E	2013F
Discount retailers	3.3%	3.4%	3.4%	3.3%
General retailers	9.0%	8.8%	8.7%	8.2%
Specialist retailers	80.6%	75.4%	73.7%	66.2%
Online retailers	7.1%	12.4%	14.2%	22.3%
Overall	100.0%	100.0%	100.0%	100.0%

Source: World Market Intelligence analysis

© World Market Intelligence

18 Company Profile: Tesco plc

18.1 Tesco plc Company Overview

Tesco Plc (Tesco) is an in-store and online retailer. The company is engaged in the operations of superstore, extra stores, homeplus, metro, express and hypermarkets. The company offers a wide array of both food and non food products, including clothing, health and beauty products, electrical goods, home entertainment, stationery, kitchen utensils, soft furnishings and other related products. Tesco also offers several services, including website selling, telecom services, and financial services. The company has operations in European countries, United States and Asian countries. Tesco Plc is headquartered at Hertfordshire, United Kingdom.

Table 249: Tesco Plc Key Facts	
Primary Address	Tesco House Delamare Road Cheshunt ENG EN8 9SL
Phone	44-1992-646484
Country Name	United Kingdom
URL	www.tescopl.com
No of Employees	468508
Revenue (£ m)	54,327.0
Revenue (US\$ m)	102,503.8
Financial Year End	February
Source: World Market Intelligence analysis	
© World Market Intelligence	

18.1.1 Tesco plc Business Description

Tesco Plc (Tesco), one of the largest retailers, engages in food retailing business. The company operates through superstore, extra stores, homeplus, metro, express, gas stations and hypermarkets. The company's product portfolio includes both food and non food items, including fruit and vegetables, Groceries products, apparels, health and beauty products, electrical goods, home entertainment, stationery, kitchen utensils, soft furnishings.

The company offers both private labeled brands, including Technika in electricals, Cherokee and F+F in clothing and others; and trademark brands, including Nescafe, Pepsi, Nestle and other related brands. In addition, the company provides retailing services, including online shopping, telecom services, personal finance, and consumer research business. The company has its operations in United Kingdom and 13 countries across Asia, Europe and the United States. The company operates through four geographical segments, namely, the UK, Rest of Europe, Asia and the US.

In the UK, Tesco offers a wide range of both food and non food products through its stores and website. The company also offers products through its online portals, namely, tesco.com and Tesco Direct. Tesco also offers a wide array of financial services under Tesco Personal Finance brand. During the year fiscal year ending February, 2009, the company opened 11 Extra hypermarkets, 21 new superstores and 125 new Express stores, bringing the overall total number of Tesco stores to 2,306. The segment generated £ 38,191 million from its UK operations, constituting 70.2% of the total revenues of the company.

The company, under the rest of Europe segment, operates in Republic of Ireland, Hungary, Poland, the Czech Republic, Slovakia and Turkey. During the fiscal year, the company operated 863 stores, including 116 in Ireland, 149 in Hungary, 319 in Poland, 113 in Czech Republic, 70 in Slovakia and 96 in Turkey. The segment generated £ 8,862 million, constituting 16.3% of the company's total revenues, at the end of the fiscal year 2009.

The Asian geographical segment includes Thailand, South Korea, Malaysia, China, Japan and India. Recently, the company acquired Homever stores in South Korea, converting them to Homeplus format. The company offers a wide assortment of products, including bakery products, ready-meals, sandwiches, DVDs, books and other related products. At the end of the fiscal year 2009, the segment generated £ 7,068 million from Asian geographical segment, constituting 13.01% of the total revenues.

As on February 2009, the company in Asia and Europe were trading from 1,911 stores, including 608 hypermarkets, with a total of 55.0m sq ft of selling space.

In the United States, the company operates through 115 stores under Fresh & Easy brand. The segment generated £ 206 million of revenues, constituting 0.37% of the total revenues.

The company is planning to launch products that would help in reducing carbon emissions. The company will introduce carbon reduction label that will appear on 20 Tesco products in four different categories: laundry detergent, orange juice, potatoes and light bulbs. In addition, the company actively participates in betterment of the society. The company has opened its greenest store at Cheetham Hill in Manchester, with a carbon footprint of less than 70%, in comparison to a typical store in 2006. The company raised over £6 million for Marie Curie Cancer Care, to fund an additional 300,000 hours of nursing care for over 5,000 terminally ill patients. Recently, it has also moved around £11 million worth of business back to the UK suppliers, supporting domestic order books and production, and safeguarding employment.

18.1.2 Tesco plc Major Products & Services

Tesco Plc (Tesco), one of the largest retailers in the world, engages in food retailing business. Its key products, services and brands include:

Products: Fresh food and Frozen food, Beverages, Groceries, Clothing, Home Furnishings, Consumer electronics

Services: Consumer financial services, Renting DVDs, CDs, Consumer dental plans, Consumer health insurance, Music downloads, Internet service

Brands: Finest, Tesco, Legou, Greener living, Technika electrical, Fresh and Easy, Cherokee, Florence & Fred

18.1.3 Tesco plc History

Table 250: Tesco Plc History

Year	Event type	Description
2008	Acquisitions/Mergers/Takeovers	The company acquired remaining 50% of Tesco Personal Finance from Royal Bank of Scotland.
2008	Acquisitions/Mergers/Takeovers	The company acquired 36 Homever stores in South Korea.
2008	Corporate Awards	The company was awarded with the prestigious business in the Community Leadership in the environment Award, and the Sustainable Management Award in South Korea.
2007	Corporate Awards	In March 2007, the company was awarded Consumer's Favorite Retailer at the Retail Week Awards.
2007	New Products/Services	The company launched Tesco Book Club in partnership with Random House in June 2007.
2007	New Products/Services	The company's online service Tesco.com launched a new online property venture, Tesco Property Market and was awarded a green Oscar for its newly launched zero-emission, electric van fleet in July 2007.
2006	New Products/Services	The company launched a new internet telephone service in January 2006.
2006	New Product Approvals	The group launched a new fishing range which includes rods, reels, nets, tackle and bait boxes and junior starter kit, in June 2006.
2006	Corporate Awards	In 2006, Tesco was named 'Online Retailer of the Year', 'Grocer of the Year' and 'Britain's Favorite Supermarket' by Grocer Gold Awards.
2006	Acquisitions/Mergers/Takeovers	In July 2006, Tesco bought the Polish convenience retailer Leader Price, that belongs to the Casino group.
2006	New Products/Services	The company launched Tesco Direct, in non food retail segment for selling non food items to its customers in August 2006.
2006	New Products/Services	In September 2006, Tesco launched an organic clothing range by designer Katharine Hamnett .
2005	Others	Tesco and Carrefour swapped assets such as stores in the Czech Republic, Slovakia and Taiwan in the year 2005.
2005	Acquisitions/Mergers/Takeovers	The company acquired 21 former BP Safeway gasoline stations from William Morrison in 2005.
2004	Acquisitions/Mergers/Takeovers	In 2004, Tesco signed a 50:50 joint venture agreement with Ting Hsin, for its wholly owned subsidiary of Ting Cao, which owns the Hymall chain of stores in China.
2003	Acquisitions/Mergers/Takeovers	In 2003, the group purchased small Turkish hypermarket chain, Kipa
2003	New Products/Services	In the year 2003, the group launched Tesco home and mobile phone.
2002	Acquisitions/Mergers/Takeovers	The group purchased T&S, a UK based convenience retailer and it bought HIT, a hypermarket operator in Poland, in 2002.
2001	Contracts/Agreements	The company formed a strategic relationship with American supermarket Safeway, to take the tesco.com home shopping model to the US.
1974	Others	The company established its gasoline station services in 1974.
1956	Corporate Changes/Expansions	The company opened its first self service supermarket in Maldon in 1956.
1929	Corporate Changes/Expansions	The company opened its first store in 1929 in Burnt Oak, Edgware in the UK.
1920	Others	In 1920, the company's name was originated from the initials of TE Stockwell, who was a partner in the firm of tea suppliers, and CO from Jack Cohen's surname, thus it became 'Tesco'.
1919	Incorporation/Establishment	In 1919, Tesco was established in the East End of London.

Source: World Market Intelligence analysis

© World Market Intelligence

18.2 Tesco plc Company Analysis

Tesco Plc (Tesco) is an in-store and online retailer. The company offers a wide array of both food and non-food products, including clothing, health and beauty products, electrical goods, home entertainment, stationery, kitchen utensils, soft furnishings and other related products. The company’s strong financial performance, market share and strong growth prospects have given it a strong market image. In addition, e-commerce market opportunity, increasing demand of private labeled products, expansion through the opening of new stores and financial services business ensures a strong future for the company. However, it’s declining operating margin and liquidity position are hampering its revenue growth. Furthermore, it faces challenges from highly regulated financial services business, changing economic conditions, intense competition and decreasing demand of non food products which may affect the company’s sales.

Table 251: Tesco Plc SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> • Strong Growth Prospects • Leading Market Player • Strong Financial Performance 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Limited Liquidity Position • Limited Operating Margin
<p>Opportunities</p> <ul style="list-style-type: none"> • Opening of New Stores • Expansion of Personal Finance Business • Increasing Opportunities in Online Retailing • Increasing Demand Of Private Labeled Products 	<p>Threats</p> <ul style="list-style-type: none"> • Decreasing Demand of Non-food Products • Intense Competition • Highly Regulated Financial Services Business • Rising Manpower Costs
<p>Source: World Market Intelligence analysis © World Market Intelligence</p>	

18.2.1 Tesco plc Strengths

Strong Growth Prospects

The company was trading at a price/earnings (P/E) ratio of 13.28 at the end of the fiscal year 2009. This was above the S&P 500 companies average* of 9.2. A higher than sector average P/E may indicate that the company may have high growth prospects which are reflected in its stock's premium pricing. Investors may be expecting higher earnings growth in the future compared to other companies in the sector.

Leading Market Player

Tesco is the third largest Groceries retailer in the world. With constant focus on increasing its market share and revenues by adopting various strategies like lowering prices, offering more affordable products and introducing various sales promotion schemes. The company has been climbing on the competitive ladder to achieve a leading position. Despite the increasing competition, the company managed to increase and maintain its leadership in its key markets. The company has its business operations in 14 countries including the UK, the Republic of Ireland, Hungary, Poland, the Czech Republic, Slovakia, Turkey, Thailand, South Korea, Malaysia,

China, Japan, India and the United States. Thus, this strong market share and growth generates goodwill for the company and also helps the company in pursuing its expansion plans.

Strong Financial Performance

Tesco has exhibited a strong financial performance over the past few years. The net sales of the company grew at a CAGR of 9.9% during the 2005-2009. The company recorded revenues of £54,327 million during the fiscal year ending February 2009, an increase of 14.9% over 2008. The operating profit of the company was £3,206 million during the fiscal year 2008, an increase of 15% over 2008. The factors for the strong financial performance include increased profits from international business, the strong performance of non food business and growing online sales. The strong financial performance of the company helps in pursuing future growth plans.

18.2.2 Tesco plc Weaknesses

Limited Liquidity Position

The company's current ratio was 0.76 at the end of the fiscal year 2009. This was below the S&P 500 companies average* of 1.4. A lower than sector average* current ratio indicates that the company is in a weaker financial position than other companies in the sector.

Limited Operating Margin

The company's operating margin was 5.9% for the fiscal year 2009. This was below the S&P 500 companies average* of 14.7%. A lower than sector average* operating margin may indicate inefficient cost management or a weak pricing strategy by the company. During the fiscal year ending February 2009, the company also witnessed an increase in administrative expenses by around 21%. Increasing operating expenses would adversely impact the company's operating performance, thereby hampering the company's profitability.

18.2.3 Tesco plc Opportunities

Opening of New Stores

The company can increase its store count by opening new stores in its geographical locations. This can strengthen its position in countries where the company already has a sizeable presence. The company has ample opportunities in geographies like India, South Korea, Malaysia and other untapped markets. Opening of new stores would enable the company to increase its market presence and proximity to customers. During the year, the company opened 11 Extra hypermarkets, 21 new superstores and 125 new Express stores. For the next fiscal year, the company plans to open 320 new stores with a total of 5.4m square feet of sales area in Asian and European locations and a further 0.6m sq ft in the US.

Expansion of Personal Finance Business

The company, in order to increase its service portfolio and revenues, can increase its personal finance business and develop it to a full-service retail bank. Tesco's financial arm, namely, Tesco Personal Finance is well-capitalized and profitable, and generates around 50% of the total retailing services profit. The company can utilize this profit to increase its product portfolio, and market presence, which would help it to compete with

the top most financial institutions of the country. In the next few years, the company is planning to invest more capital, management and other resources to support this growth.

Increasing Opportunities in Online Retailing

The company sells its products both through its stores and website. The company can benefit by increasing growth in online retailing, which is supported by rising internet penetration and increasing familiarity to online shopping. The company offers a wide assortment of both food and non food products through its two online portals, namely, tesco.com and Tesco Direct. Now, more and more customers prefer to shop online and place their orders through credit cards, thereby avoiding the time consuming journey and billing queues. According to comScore, visits to online retail sites in Europe are showing a steady increase. In November 2008, visits to online retail sites in the UK increased by 10%, followed by Germany and France.

Increasing Demand Of Private Labeled Products

The company has ample opportunities, to increase their share of private label sales as consumers are seeking out more budgeted deals due to the global slowdown. The company offers many private labeled products under brands, including Technika in electrical, Cherokee and F+F in clothing and others. According to a report by the Confederation of the Food and Drink Industries of the EU (CIAA), there is a shift in consumer spending towards private label products. Also, it is observed that the private label products have reached as high as 48% in traditional retailers and 94% in discounters. In the UK, almost every top 30 retailer saw an increase in the private label share in 2008. Private labels may become even more popular due to the current economic conditions. Though price is a prime factor driving private label sales, it is not the sole factor. Increasing quality of private label products will assure sales even after the economy recovers.

18.2.4 Tesco plc Threats

Decreasing Demand of Non-food Products

The company may be adversely affected by the decreasing demand of non food products. Consumers are cutting their expenses on the discretionary shopping and spending only on the necessities. Since, the company generates a significant amount of revenues from the non food business category, the current economic downturn may hamper its revenue growth. During the fiscal year ended 2009, the company derived £ 12.5 billion from non food sales. The company on a regular basis is changing its product range and cutting its product prices. According to a consumer survey conducted in the US by Harris Interactive, more than half of adults (54%) say they would reduce discretionary spending during an economic recession and the majority (63%) of adults said they would not make a purchase if there was no deal attached.

Intense Competition

The company faces intense competition from various players in its business sector and location. The major competitive factors that affect their business includes store location, product availability, customer service and product offerings, credit availability, quality and price. Tesco faces competition through both national and regional retailers, supermarkets, hypermarkets, department stores, online retailers, general merchandise and solution stores, including Marks and Spencer, John Lewis Partnership, Wm Morrison Supermarkets, J Sainsbury, Wal-mart and other retailers. Such an intense competition poses a threat to the company's existing market share and margins.

Highly Regulated Financial Services Business

The financial services business of the company is highly regulated by Financial Services Authority, England. Tesco Personal Finance needs to comply with all the rules and regulations of the FSA, and is required to satisfy certain capital adequacy and liquidity ratios, in order to perform successful business activities. If the company fails to abide by the policies laid down by the authority, the company could face heavy penalties, or even face the closure of its financial services business. The company's personal finance business also faces the risk of unexpected losses arising from operational failure, whether as a result of human error, systems failures, fraud or inadequate controls.

Rising Manpower Costs

Increasing manpower costs may have an adverse affect on the company. With the shortage of talented manpower and increasing government mandated minimum wages, the labor costs in the developing countries also have been witnessing an increase. The company employs around 470,000 people in all locations. During the fiscal year, the company witnessed an increase of around 10.8% in its employee costs, in comparison to the previous fiscal year. The increase in wages and salaries could hamper the company's operating profit, which would directly affect the company's profit margins. In the UK, the government increased the minimum wage rate from £5.73 an hour in October 2008 to £5.80 an hour in May 2009. It is further expected to increase in the next few years.

18.3 Tesco plc Key Facts

18.3.1 Tesco plc Key Competitors

John Lewis Partnership Plc

Marks and Spencer Group plc

Somerfield Group

Wm Morrison Supermarkets PLC

J Sainsbury plc

Wal-Mart Stores, Inc.

Carrefour S.A.

Big Foods Ind. de Produtos Alimentícios Ltda.

18.3.2 Tesco plc Key Employees

Table 252: Tesco Plc Key Employees

Name	Job Title	Board Level	Since	Age
Terry Leahy	Chief Executive Officer, Director	Executive Board	1997	53
Richard Brasher	Director, Commercial and Marketing	Executive Board	2004	47
Philip Clarke	Director, International and IT	Executive Board	1998	48
Andrew Higginson	Chief Executive Officer, Retailing Services , Group Strategy Director	Executive Board	1997	51
Tim Mason	Chief Executive Officer, Fresh and Easy , Director, President, Fresh and Easy	Executive Board	1995	51
Lucy Neville-Rolfe CMG	Director, Corporate and Legal Affairs	Executive Board	2006	56
David Potts	Director, Retail and Logistics	Executive Board	1998	51
Laurie McIlwee	Director, Finance	Executive Board	2009	46
Rodney Chase	Deputy Chairman, Senior Non-Executive Director	Non Executive Board	2002	64
Charles Allen	Director	Non Executive Board	1999	52
Karen Cook	Director	Non Executive Board	2004	55
Dr Harald Einsmann	Director	Non Executive Board	1999	75
Ken Hydon	Director	Non Executive Board	2004	64
David Reid	Chairman	Non Executive Board	2004	62
Patrick Cescau	Director	Non Executive Board	2009	60
Ken Hanna	Director	Non Executive Board	2009	55
Jacqueline Tammenoms Bakker	Director	Non Executive Board	2009	55

Source: World Market Intelligence analysis

© World Market Intelligence

18.4 Tesco plc Company Financials

Table 253: Tesco plc Capital Market Ratios (based on current share price)

Key Ratios	16-Sep-2009
P/E (Price/Earnings) Ratio	14.24
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	16.27
Enterprise Value/Sales	0.88
Enterprise Value/Operating Profit	14.99
Enterprise Value/Total Assets	1.04
Dividend Yield	0.03

Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers

Source: World Market Intelligence analysis

© World Market Intelligence

Table 254: Tesco Plc Key Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	0.17	0.20	0.23	0.27	0.27
Dividend per Share	GBP	0.08	0.09	0.10	0.11	0.12
Dividend Cover	Absolute	2.29	2.31	2.42	2.44	2.28
Book Value per Share	GBP	1.11	1.19	1.32	1.50	1.64
Cash Value per Share	GBP	0.15	0.17			
Profitability Ratios						
Gross Margin	%	7.78	7.67	7.60	7.67	7.76
Operating Margin	%	5.76	5.78	6.21	5.90	5.90
Net Profit Margin	%	3.97	3.98	4.44	4.49	3.98
Profit Mark up	%	8.44	8.31	8.22	8.31	8.42
PBT Margin (Profit Before Tax)	%	5.59	5.66	6.22	5.93	5.44
Return on Equity	%	15.62	16.74	18.01	17.98	16.70
Return on Capital Employed	%	13.49	15.15	15.90	14.02	11.44
Return on Assets	%	6.67	6.96	7.63	7.04	4.69
Return on Fixed Assets	%	11.53	12.12	12.83	11.55	9.89
Cost Ratios						
Operating Costs (% of Sales)	%	94.24	94.22	93.79	94.10	94.10
Administration Costs (% of Sales)	%	2.16	2.09	2.13	2.17	2.30
Liquidity Ratios						
Current Ratio	Absolute	0.57	0.50	0.51	0.58	0.76
Quick Ratio	Absolute	0.34	0.30	0.27	0.35	0.61
Cash Ratio	Absolute	0.20	0.19	0.14	0.22	0.28
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.59	0.63	0.59	0.75	1.34
Debt to Capital Ratio	Absolute	0.35	0.39	0.37	0.44	0.62
Efficiency Ratios						
Asset Turnover	Absolute	1.68	1.75	1.72	1.57	1.18
Fixed Asset Turnover	Absolute	2.24	2.37	2.39	2.26	2.20
Inventory Turnover	Absolute	23.86	24.88	20.40	17.97	18.77
Current Asset Turnover	Absolute	10.50	10.52	10.23	7.89	3.98
Capital Employed Turnover	Absolute	3.94	4.21	4.06	4.00	4.20
Revenue per Employee	GBP					115,957
Net Income per Employee	GBP					4,613
Capex to Sales	%	6.80	6.84	7.10	7.61	8.66

Source: World Market Intelligence analysis

© World Market Intelligence

Table 255: Tesco PLC Interim Ratios

Key Ratios	Unit/Currency	Aug-2007	Feb-2008	Aug-2008	Feb-2009
Interim EPS (Earnings per Share)	GBP	0.12	0.15	0.13	0.14
Book Value per Share	GBP	1.35	1.50	1.54	1.64
Current Ratio	Absolute	0.52	0.58	0.53	0.76
Asset Turnover	Absolute	0.86	0.82	0.78	0.62
Current Asset Turnover	Absolute	4.72	4.12	3.86	2.10
Working Capital Turnover	Absolute	-5.07	-5.78	-4.29	-6.53

Source: World Market Intelligence analysis

© World Market Intelligence

19 Company Profile: Asda Stores Limited

Note: Asda Stores Limited is a private company and hence detailed financial information is not available.

19.1 Asda Stores Limited Company Overview

ASDA Stores Limited (ASDA) is an in-store and online retailer of wide range of food and non-food products. The company's product portfolio includes groceries, apparel, electrical products, furniture, garden, home ware, toys, baby items, DIY products, sports & leisure, jewelry, gifts, mobile phones and other consumer products. In addition to several national brands, the company offers private brands, including George and ASDA. It operates through 363 stores of different formats, including 29 ASDA/ Wal-Mart Super Centers, 22 ASDA Living stores, 272 ASDA Superstores and 40 small town stores across the UK. ASDA is headquartered at Leeds, United Kingdom

19.1.1 Asda Stores Limited - Business Description

ASDA Stores Ltd. (ASDA), a subsidiary of Wal-Mart Stores, Inc., is engaged in the retailing of broad range of both food and non-food products. The company's product portfolio includes groceries, apparel, electrical products, furniture, home ware, toys, baby shop, DIY products, sports and leisure, jewelry, gifts, mobile phones and other consumer products. In addition, the company also offers a wide range of financial services, including insurance, credit card, loans, child trust fund, gas and electricity service, and other services. The company operates through 363 stores of different formats, including 29 ASDA/ Wal-Mart Super centers, 22 ASDA Living stores, 272 ASDA Superstores and 40 small town stores across the UK, covering over 29 million square feet of total space. The company's business can be categorized to four categories, namely, ASDA Direct, George, Groceries and Financial Services.

Under ASDA Direct, the company offers a wide range of products through its website, namely, www.asda.co.uk. The company's website sells electrical appliances, furniture, garden improvement, homeware, toys, babyshop, DIY and motor products, sports and leisure, jewelry, gifts, CDs, DVDs, blu-ray, books, games, flowers, mobile phones, opticals, pharmaceuticals, photo prints and travel. ASDA Direct offers products of many brands, including BlackBerry, Braun, Panasonic, Samsung, Sharp, Toshiba, LEGO, Fisher Price, Leap Frog and other brands.

The company, under the brand - George, offers a broad collection of apparels. Its product portfolio includes men's wear, women's wear and kid's wear, including cardigans, coats, jackets, jeans, nightwear, maternity clothes, jumpers and shorts; lingerie; shoes; baby clothes and other related apparel products. The company offers George products through its chain of 22 ASDA Living stores operating all across the UK.

Under groceries category, the company offers a wide range of both food and non-food merchandise; both through its website and stores operating all across the UK. Under food sub-category, the company sells fruits and vegetables, meat and fish, dairy products, bakery products, biscuits, drinks, frozen eatable products and other food products. Under non-food sub-category, the company sells a wide range of products, including bath, shower and soap, cosmetics, dental care, deodorant and body spray, feminine hygiene, fragrance, gifts, hair care, health and supplements, ladies hair removal, men's toiletries, pharmacy, skin care, sun care, travel products and other general merchandise. ASDA sells non-food products of all major brands.

In addition to its products, ASDA also offers a broad range of financial services through its stores and website. ASDA financial services portfolio includes insurance products, credit cards and loans, savings plan and other related financial products and services. Under insurance products, the company offers car insurance, life insurance, pet insurance, group insurance and other insurance plans.

In first half of 2009, the company was named as Britain’s Best Value Retailer for the eleventh consecutive year in the annual Grocer 33 awards. ASDA also received accolades for Best Service and Best Availability for price, availability and service. In addition, the company also won the Business Commitment to the Environment Award for its efforts to reduce packaging.

19.1.2 Asda Stores Limited - Major Products and Services

Asda Stores Ltd is a UK-based subsidiary of Wal-Mart engaged in operating a chain of supermarkets.

Table 256: Asda Stores Limited, Major Products and Services
Products:
Bakery and cakes
Dairy and deli products
Frozen food
Fruit and vegetables
Health, beauty and baby products
Household products
Meat, poultry and fish Packets, tins and jars
Ready meals
Snacks and drinks
Apparel:
Accessories
Children’s wear
Footwear
Hosiery
Lingerie
Menswear
School-wear
Swimwear
Women’s wear
Services:
Home and life Insurance
Home delivery
On-line shopping
Pet insurance
Travel insurance
Source: Company Website, Primary and Secondary Research

19.1.3 Asda Stores Limited - History

Table 257: Asda Stores Limited, History

2008	Corporate Changes/Expansions	Wal-Mart sold the property development subsidiary of ASDA, Gazeley Limited Group to Dubai World company Economic Zones World (EZW).
2007	Corporate Changes/Expansions	The company started its online business, Asda Electricals.
2007	New Products/Services	The company introduced new food nutrition labeling system.
2006	New Products/Services	The company's pet insurance launched summer Pooch Patrols in store car parks.
2005	Corporate Changes/Expansions	The company launched 30 new photo centers and added optical departments at six more stores and jewelry departments at 30 more stores.
2004	Corporate Changes/Expansions	The company opened its first Asda Living store in Walsall.
2003	New Products/Services	Asda launched home, travel and motor insurance in its stores.
2003	Corporate Changes/Expansions	The company launched e-commerce site, asda.com and opened its first standalone George store in Leeds.
2001	Corporate Changes/Expansions	The company opened first jewelry department at Horwich.
2000	Corporate Changes/Expansions	The company opened its first Asda Wal-Mart supercentre at Patchway.
1999	Acquisitions/Mergers/Takeovers	The company merged with Kingfisher.
1999	Ownership Changes	The company was acquired by Wal-Mart.
1990	New Products/Services	The company launched its first apparel range George.
1987	Corporate Changes/Expansions	The company sold Mullard Furniture Industries (MFI).
1985	Acquisitions/Mergers/Takeovers	The company merged with Mullard Furniture Industries (MFI).
1965	Incorporation/Establishment	Asda Stores Ltd. (Asda) was incorporated.

Source: Company Website, Primary and Secondary Research

19.2 Asda Stores Limited - SWOT Analysis

19.2.1 SWOT Analysis - Overview

ASDA Stores Limited (ASDA) is engaged in operating supermarket chain, offering food and non-food items. It also retails the merchandise through website. The company operates about 363 stores across the UK. The company's wide product portfolio ranging from groceries to electrical goods to DIY items serves as its strength. Further, by adding more of private labels products to its product basket and expansion through store openings, the company can ensure a strong growth in the near future. However, its low market penetration and product recall incidents are its drawbacks. It also faces challenges such as highly competitive market and slowdown in the UK economy.

19.2.2 Asda Stores Limited - Strengths

- **Strength - Strong Social Image**

The company is engaged in several community activities, which has enhanced its image socially. This creates the image of a socially responsible entity and enhances its goodwill. Such steps make the company popular among consumers and help it retain as well as attract new customers. The company offer services through various community programs such as Children in Need, Pedal Power, Tickled Pink and others. In 2008, the company's colleagues have raised more than £3.2 million for local charities, present in the UK, and about £4.2 million for national charities including Tickled Pink, Children In Need and Tommy's the Baby Charity. Its stores also raised funds for the 'BBC Children in Need Appeal' to help disadvantaged children and young people in the UK.

- **Strength - Leading Market Position**

The company operates as one of the leading retailers in the UK, thereby luring a wide customer segment. Its position as the Britain's second largest supermarket chain operator has made it a recognized and trusted retail brand, thereby adding to its customer base and goodwill. It has been operating for more than 40 years and its experience for such a long duration has enabled it to have a better insight into the retailing industry and plan sound strategies accordingly. In 2009, the company was named as the Britain's Best Value Retailer for the eleventh consecutive year in the annual Grocer 33 awards. It also received accolades for 'Best Service' and 'Best Availability', the awards which are given for the first time to any retailer.

- **Strength - Broad Product and Service Portfolio**

The company offers a wide range of merchandise and services through its stores, which enables it to draw a huge customer base. It operates about 363 stores and offers a broad assortment of merchandise, thereby giving the consumers the convenience of shopping under one roof and saving their time. The company maintains a one-stop shopping environment, comprising a wide product portfolio of food and non-food items. Under the food category, it provides fruits, vegetables, meat, fish, dairy items, bakery items, beverages, frozen food and other food items. Under the non-food category, it offers electrical appliances, furniture, garden products, homewares, toys, DIY items, sports goods, jewelry, mobile phones, CDs, DVDs, books, games, flowers, gifts, apparels, cosmetics and other general merchandise. It also provides in-store services, and offers insurance products, credit cards, loans, savings plan and other such services.

19.2.3 Asda Stores Limited - Weaknesses

- **Weakness - Low Market Penetration**

The company's penetration in the UK market is comparatively lower. While it operates about 363 stores, some of its competitors such as J Sainsbury plc and Marks and Spencer Group plc have a much higher store count and penetration in the market. J Sainsbury plc operates about 502 supermarkets and 290 convenience stores in the UK. Further, Marks and Spencer Group plc operates more than 600 stores in the UK and over 200 stores worldwide. A lower market penetration may limit the company's proximity with its customers and may adversely affect its revenues.

- **Weakness - Product Recalls**

The company faced a few product recall incidents, which might adversely affect its brand image and product authenticity. Further, this leads to reduction of consumer confidence in the company's merchandise and might hamper its sales. In 2008, the company had to recall Asda Durabrand Microwave product range, due to its overheating nature, which might cause fire. In 2007, it recalled the product range under the brand, George kid's snow boot, as the toggle that tightens it might come off. Any such further incidence might adversely affect the consumer confidence, declining the company's sales.

19.2.4 Asda Stores Limited - Opportunities

- **Opportunity - Rising Demand for Private Label Goods**

The company can increase its revenues amidst the increasing demand of private label goods. Such products are cheaper compared to branded items and provide consumers more budgeted deals. In addition, the current economic slowdown in the UK has encouraged consumers to make more of private label purchases, thereby driving the company's sales. Further, increasing quality of private label products assures higher sales even after the recover of the economy. According to a report by the Confederation of the Food and Drink Industries of the EU (CIAA), there is a shift in consumer spending towards private label products. Also, it is observed that the private label products have reaches as high as 48% in traditional retailers and 94% in discounters. In UK, almost every top 30 retailer saw an increase in private label share in 2008. The company already retails private labels such George and Asda. It can benefit by expanding its private label offering into non-traditional private label categories.

- **Opportunity - Growth in E-Commerce Sector**

The company stands to benefit due to the rising popularity of online shopping, owing to ease and convenience offered by such shops. It can utilize the opportunity to market its presence across the globe through internet services, thereby increasing its customer base. It also saves the company's operational cost as maintaining online shops are cheaper than physical stores. The company already retails through its website under the name - ASDA Direct and further enhancement of the internet service will be beneficial to the company. As the internet penetration of the UK increases, the company's e-retail business can benefit. According to Internet World Stats as on March 2009, the internet penetration in the UK is about 70.9% of the total population and the user growth has been 180.7% in the period from 2000 through 2008.

- **Opportunity - Expansion Through Store Openings**

The company can foster its growth through store openings within the country. The company has store operations throughout the locations including Scotland, Lancashire, Yorkshire, Northern Ireland, North East, South West and others. A further diversified operation will enable the company to reach a wider spectrum of customers. In the fiscal year ending January 2010, the company has already opened over five new stores in the UK. Such expansion of its store network will not only increase its market penetration, but also strengthen its market share in the country.

19.2.5 Asda Stores Limited - Threats

- **Threat - Slowdown in the UK Economy**

The company stands to lose out on revenues due to the declining sales in the UK retail market, owing to the economic slowdown. The consumers in the UK are experiencing reduction in their purchasing power and are left with lower disposable incomes. There has been a decline in their shopping activities with major purchases being restricted to essentials. According to The European Union's statistics agency – Eurostat, the retail sales index dropped by 2.3% and 1.4% in the Eurozone and EU27, respectively for the year ended April 2009, compared to the previous year. Further, food, drinks and tobacco fell by 1.2% and 0.4% in both the regions, respectively. The non-food sector in the Eurozone and EU27 decreased by 2.5% and 0.9% respectively.

- **Threat - Increasing Manpower Cost**

The company's profit margins might be adversely affected due to the increasing wage rates in the UK. Such rising manpower cost might increase the operational cost and reduce the profitability of the company, as it employs a huge workforce of 169,100 people. In the past few years the labor cost has been witnessing an increase due to the shortage of talented manpower and increasing government mandated minimum wages. In the UK, the government increased the minimum wage rate from £5.52 per hour in October 2007 to £5.73 an hour in October 2008. It is further expected to increase in the next few years.

- **Threat - Highly Competitive Market**

The company faces intense competition from various players operating in the UK retailing industry, which poses a threat to its existing market share. Such intense competition might reduce the company's customer base and increase its operational cost, thereby lowering its profit margin. ASDA competes with discount stores, supermarkets and other independent retailers. Some of its competitors include retail giants such as Tesco, Carrefour S.A., J Sainsbury plc, Marks and Spencer Group plc and others. These competitors undertake aggressive promotional activities and have large scale operations, extensive geographical markets, broad product assortment, brand variety and great financial resources, thus having greater market penetration. Such a stiff competition might compel the company to increase its spending on advertisement and lower its product prices to retain its market share, which might result in low profitability.

19.3 Asda Stores Limited - Key Facts

19.3.1 Asda Stores Limited - Key Competitors

The following companies are the major competitors of Asda Stores Limited:

Tesco PLC

Marks and Spencer Group plc

J Sainsbury plc

Wm Morrison Supermarkets PLC

John Lewis Partnership Plc

Somerfield Group

Schwarz Beteiligungs GmbH

Aldi GmbH & Co. oHG

Co-operative Group Limited

19.3.2 Asda Stores Limited - Key Employees

Table 258: Asda Stores Limited, Key Employees

Name	Job Title	Board Level	Since	Age
Andy Bond	Chief Executive Officer, President	Executive Board		
Judith McKenna	Chief Financial Officer	Senior Management		
Paul Mancey	Director, Grocery	Senior Management		
Paul Kelly	Director, Corporate Affairs	Senior Management		
Andy Clarke	Chief Operating Officer	Senior Management		
Gev Lynott	Director, Financial Services	Senior Management		

Source: Company Website, Primary and Secondary Research

Table 259: Asda Stores Limited, Key Employee Biographies

<p>Andy Bond Job Title: Chief Executive Officer, President Board Level: Executive Board</p>	<p>Andy Bond is the president and chief executive officer of Asda Group. Prior to this, he served as the company's chief operating officer. He held various positions with Asda since joining as a marketing manager in 1994. These include designations of corporate marketing director from 1998 to 1999, European private label director from 1999 to 2000, and managing director, George from 2000 to 2004.</p>
---	---

Source: Company Website, Primary and Secondary Research

19.3.3 Asda Stores Limited - Locations & Subsidiaries

Head office:

Asda Stores Limited

Great Wilson Street

Southbank

Leeds

ZIP: LS11 5AD

United Kingdom

Tel: +44 113 2435425

Fax: +44 113 24177

20 Company Profile: J Sainsbury plc

20.1 J Sainsbury plc Company Overview

J Sainsbury plc (J Sainsbury) is engaged in grocery retailing through its supermarkets and convenience stores principally in United Kingdom. The company operates its business through three divisions, namely, retailing stores, financial services and property development. J Sainsbury serves its customers through a chain of 502 supermarkets and 290 convenience stores under the brand Sainsbury's, and financial services via Sainsbury's Bank. J Sainsbury offers around 30,000 food and non-food products and services. J Sainsbury plc is headquartered at London, United Kingdom.

20.1.1 J Sainsbury plc - Business Description

J Sainsbury plc, founded in 1869, is engaged in food retailing through its chain of 502 supermarkets and 290 convenience stores. It also provides home delivery services offered from the company's 165 stores, through its Internet-based home delivery shopping service. The company has a joint venture with HBOS, under which it operates Sainsbury's Bank in UK. The company's product portfolio includes food and groceries, kitchen appliances, electricity gas appliances, home insulation products, clothing, alcohol and beverages, books, gift item, and other related products. The company functions from three business segments, namely, Retailing, Financial Services and property investments.

The company under retailing segment operates supermarkets and convenience stores. Sainsbury's large supermarket format offers about 30,000 products, with large numbers of its own brand, namely, Basics, Be Good to Yourself, Taste the difference, TU, and TU home. The company operates its stores under several names, including Bells Stores, Jacksons Stores, JB Beaumont, SL Shaw and Culcheth Provision Stores all across United Kingdom. The company's product portfolio includes food products, apparels and others, house baked bread, delicacies, meat and fish counters, pharmacies, coffee shops, restaurants and petrol stations are offered by many Sainsbury stores. The company through its 165 stores also operates an internet-based home delivery shopping service serving more than 90,000 customers each week. During the fiscal year ending March 2009, the segment generated £ 18,911 million, 6.02% more than the previous fiscal year.

The company offers financial services through Sainsbury's Bank, a 50-50 joint venture between J Sainsbury and HBOS. The bank offers various financial products and services, including, health coverage products, life coverage products, car financing packages, car insurance, instant access savings accounts, visa credit cards, personal loans, home insurance, direct saver accounts, travel insurance, pet care insurance and other related products and services.

During the fiscal year ending March, 2009, the company acquired 24 stores from the Co-operative Group comprising 22 Somerfield branded stores and two Co-operative branded stores. In addition, the company is installing a revolutionary invention which creates green energy every time a customer drives into the car park to do shopping.

20.1.2 J Sainsbury plc - Major Products and Services

J. Sainsbury is a UK based food retailer with business interests in financial services. The company comprises Sainsbury's supermarkets, convenience stores, an Internet-based home delivery shopping service and Sainsbury's Bank.

Table 260: J Sainsbury plc, Major Products and Services

Products:

Dairy Products

Organic food items

Organic vegetable

Organic Fruit

Meat

Chicken

Beef

Pork

Eggs

Services:

Internet Delivery

Financial Services

Source: Annual Report, Company Website, Primary and Secondary Research

20.1.3 J Sainsbury plc - History

Table 261: J Sainsbury plc, History

2008	Contracts/Agreements	In March 2008, Sainsbury's formed £1.2 billion property joint venture with British Land.
2008	Corporate Awards	The company was presented by The Institute of Grocery Distribution with 'Award for Consumer Understanding', for delivering innovative and appropriate solutions for customers.
2007	Corporate Changes/Expansions	In 2007, Sainsbury sold 5% of its shareholding of Sainsbury's Bank to HBOS to make it a 50:50 joint venture.
2007	Contracts/Agreements	In November 2007, the company entered into a joint venture with Land Securities to combine the retail and development expertise of the two companies, which gave Sainsbury access to the specialist development skills of Land Securities.
2006	Acquisitions/Mergers/Takeovers	In 2006, Sainsbury acquired four stores from Somerfield.
2005	Acquisitions/Mergers/Takeovers	In 2005, Sainsbury acquired SL Shaw, a convenience store operator with five stores in the south east of England.
2005	Acquisitions/Mergers/Takeovers	In 2005, Sainsbury acquired nine Safeway branded stores from Morrisons.
2004	Corporate Changes/Expansions	In 2004, Sainsbury sold the Shaw's Supermarket unit to Albertson's and exited the US market.
2004	Acquisitions/Mergers/Takeovers	In 2004, Sainsbury acquired Bells Stores, Jackson's Stores and JB Beaumont convenience stores and 14 stores from Morrisons.
2003	Corporate Changes/Expansions	In 2003, Sainsbury divested its property development business.
1997	Contracts/Agreements	In 1997, Sainsbury formed Sainsbury's Bank, a joint venture with the Bank of Scotland (a part of HBOS group) to enter into financial services.
1994	Acquisitions/Mergers/Takeovers	In 1994, Sainsbury acquired a 16% stake in Giant in US.
1987	Acquisitions/Mergers/Takeovers	In 1987, Shaw's Supermarket became Sainsbury's wholly owned subsidiary.
1983	Contracts/Agreements	In 1983, the company entered the US market through a joint ownership of Shaw's Supermarket.
1973	Stock Listings/IPO	In 1973, the company was listed on the London Stock Exchange.
1950	New Products/Services	In 1950, Sainsbury opened its first self-service store in Croydon.
1869	Incorporation/Establishment	In 1869, Sainsbury started with a small dairy shop.

Source: Annual Report, Company Website, Primary and Secondary Research

20.2 J Sainsbury plc - SWOT Analysis

J Sainsbury plc (J Sainsbury) is engaged in grocery retailing through its supermarkets and convenience stores principally in United Kingdom. The company's strong presence in the UK, strong financial performance and customer diversity have given it a strong brand image. In addition, business opportunities in emerging markets, growing demand for private label goods and growing online shopping ensures a strong future for the company. However, its geographic concentration, limited operating margin and low return on equity are hampering its revenue growth. Further, it faces challenges from intense competition, increasing manpower costs and sluggish economic outlook of the UK.

20.2.1 J Sainsbury plc - Strengths

- **Strength - Strong Presence in the UK**

The company serves as the major food retailing chain across the regions of United Kingdom. J Sainsbury operates through a chain of 509 supermarkets and 276 convenience stores under the brand Sainsbury's, and financial services via Sainsbury's Bank. The company's store outlets provide around 30,000 products, including healthy, safe, fresh and tasty food. It has their operations located through out the regions covering Scotland, Lancashire, Yorkshire, Northern Ireland, North East and South West etc. The company has strengthened its market position to over 16% across the United Kingdom through its store chain and serves over 18 million customers each week. With a wide network of stores across the country, the company has strengthened its position in retail platforms.

- **Strength - Strong Financial Performance**

The company witnessed a strong financial performance by the company during the fiscal year ending March, 2009. The company recorded net sales of £ 18,911million, 6.02% more than the previous fiscal year. This increase was due to its focus on listening to customers and constantly working to improve their shopping experience has enabled the company to successfully anticipate the future demand of customers.

- **Strength - Well Diversified Customer Base**

The company serves a diverse range of customers through its retail and foodservice operations. Its customer base includes individuals, retailers, restaurants and institutional customers. J Sainsbury through its online access serves about 18 million customers each week and thereby reducing operating costs to offer excellent value products with extra benefits being delivered in a simple and accessible way. A diverse customer base allows the company to offset lower margins in one segment with higher margins in another segment. Now the company has a good mix of high-margin and low volume business as well as low-margin and high-volume business. A diverse customer base minimizes volatility in revenues and margins.

20.2.2 J Sainsbury plc - Weaknesses

- **Weakness - Geographic Concentration**

J Sainsbury has been one of the prominent brands in the UK. However, it operates through a chain of 502 supermarkets and 290 convenience stores under the brand Sainsbury's; and financial services via Sainsbury's Bank across the regions covering Scotland, Lancashire, Yorkshire, Northern Ireland, North East and South

West etc. J Sainsbury's operations are also limited to the UK market, which restricts its revenue source. High dependence on this market makes the company highly sensitive to the demand dynamics of this region. The income growth of the company is limited by the growth potential of the economy. A large and diversified retail network helps the retailer to diversify its risk associated with a particular market. Moreover, the company is exposed to risks associated with the economy, while its competitors with significant operations in other countries are guarded against such a risk.

- **Weakness - Limited Operating Margin**

The company's operating margin was 3.56% for the fiscal year 2009. This was below the S&P 500 companies average* of 14.7%. A lower than sector average* operating margin may indicate inefficient cost management or a weak pricing strategy by the company. However, the company's operating margin has increased 59 bps over 2007 which may indicate that the management has been focusing on profitability.

- **Weakness - Low Return on Equity**

The company's return on equity (ROE) was 6.6% at the end of fiscal year 2009. This was below the S&P 500 companies average* of 12.9%. A lower than sector average* ROE may indicate that the company may not be using the shareholders' money as efficiently as other companies in the sector and that it is generating low returns for its shareholders compared to other companies in the sector.

20.2.3 J Sainsbury plc - Opportunities

- **Opportunity - Emerging Markets Providing Ladder for Growth**

The company has an opportunity to expand its operations into emerging markets and benefit from increasing disposable incomes in these markets. The emerging markets are suitable retail destination as GDP in such markets are expected to grow. In addition, populations in many emerging countries are younger, increasingly urban and show a growing interest in modern retail formats. According to A.T. Kearney, an international consulting firm, stated on 2009, that lower sales and tight consumer spending in the US are a sign that retailers should look to emerging markets for growth. Further, Global Retail Development Index (GRDI) in its eighth annual study of 'retail investment attractiveness among 30 emerging markets,' stated that India is the most attractive emerging market followed by Russia, China and United Arab Emirates in second, third and fourth position respectively. Moreover, according to IMF, in spite of global economic slowdown, emerging and developing economies recorded a GDP growth rate of 6.3% in 2008. The same was 8.3% in the previous year and is estimated to be 3.3% in 2009 whereas the GDP growth rate of advanced economies came down to 1.0% in 2008 from 2.7 in 2007. It is estimated that most of these advanced economies will post negative growth in 2009. In 2008, China's GDP grew at 9.0% and India grew at 7.3%.

- **Opportunity - Growing Demand for Private Label Goods**

The private label brands have been witnessing a strong growth over the years throughout the world. Even in the UK, the market has seen a strong response from the consumers. According to a report by the Confederation of the Food and Drink Industries of the EU (CIAA), there is a shift in consumer spending towards private label products. Also, it is observed that the private label products have reaches as high as 48% in traditional retailers and 94% in discounters. In UK, almost every top 30 retailer saw an increase in private label share in 2008. With J Sainsbury's strong presence in the private label segment, the company can expect to capture a larger market

share and thus generate higher revenues. With private labels offering higher margins to the retailers, J Sainsbury can boost up its profitability by focusing on these products.

- **Opportunity - Growing Online Shopping**

The increasing penetration of Internet and the rising familiarity for the online shopping has been transforming the retailing industry landscape. The ease and convenience offered by online shopping has been driving more customers towards this format. According to comScore, visits to online retail sites in Europe are showing a steady increase. In November 2008, visits to online retail sites in the UK, Germany and France increased by 10%, 11% and 6% respectively. J Sainsbury can expect a positive outlook for its online business which is carried under its www.sainsbury.co.uk Website. The company can utilize the opportunity to market their presence across the globe through internet services and offering to increase their customer base.

20.2.4 J Sainsbury plc - Threats

- **Threat - Increasing Manpower Costs**

The manpower costs throughout the globe have been on a rise over the past few years. With the shortage of talented manpower and increasing government mandated minimum wages, the labor costs in the developing countries too have been witnessing a major uptrend. In the UK, the government increased the minimum wage rate from £5.52 per hour in October 2007 to £5.73 an hour in October 2008. It is further expected to increase in the next few years. Thus, with an employee base of around 150,000 people, J Sainsbury is bound to have a major impact from these pay hikes. The pay hikes will add up to the operating costs of the company, thus affecting its profit margins.

- **Threat - Growing Competitive Environment**

The high growth potential in the retailing industry has been encouraging many players to venture into the lucrative market. Many business houses have diversified in this industry while the exiting ones have expanded their product offerings to attract a wider customer base. The industry has also been witnessing consolidation with the larger ones acquiring the domestic retailers to increase their market presence. J Sainsbury competes with various discount stores and supermarkets apart from independent retail stores. The major competitors include Demoulas Super Markets Inc., Marks and Spencer Group plc and Safeway Inc. etc. With the strong financial arm and store network, these retailers pose a major threat for the company. Thus, J Sainsbury will be required to spend heavily on its marketing and branding activities apart from offering discounts on its products to attract customers. This may have a major impact on its profitability.

- **Threat - Sluggish Economic Outlook of the UK**

The company faces a major challenge in sustaining its revenue growth due to the economy slowdown in the UK economy caused mainly due to the global crisis. As a result, the banks have tightened their credit lending process thereby affecting the consumers' shopping activity. Even the market volatility concerns have made them shop only for basic and essential goods, thereby creating a major challenge for the goods manufacturers whose sales have been witnessing a major decline. According to IMF, the UK economy will shrink by 4.1 and 0.4 percent in 2009 and 2010 respectively.

20.3 J Sainsbury plc - Key Facts

20.3.1 J Sainsbury plc - Key Competitors

The following companies are the major competitors of J Sainsbury plc:

Demoulas Super Markets Inc.

Marks and Spencer Group plc

Safeway Inc.

Somerfield Group

Tesco PLC

Wal-Mart Stores, Inc.

Wm Morrison Supermarkets PLC

Booker Cash & Carry Limited

Galiform Plc

20.3.2 J Sainsbury plc - Key Employees

Table 262: J Sainsbury plc, Key Employees

Name	Job Title	Board Level	Since	Age
Justin King	Chief Executive Officer	Executive Board	2004	47
Darren Shapland	Chief Financial Officer	Executive Board	2005	42
Mike Coupe	Director	Executive Board	2007	
Philip Hampton	Chairman	Non Executive Board	2004	
Val Gooding	Director	Non Executive Board	2007	
Gary Hughes	Director	Non Executive Board	2005	
Bob Stack	Director	Non Executive Board	2005	
Dr John McAdam	Director	Non Executive Board	2005	
Anna Ford	Director	Non Executive Board	2006	
Mary Harris	Director	Non Executive Board	2007	
Tim Fallowfield	Company Secretary	Senior Management		
John Rogers	Property Director	Senior Management		
Imelda Walsh	HR Director	Senior Management		
Luke Jensen	Strategy Director	Senior Management		
Angela Morrison	IT and Change Director	Senior Management		
Gwyn Burr	Customer Director	Senior Management		
Roger Burnley	Retail and Logistics Director	Senior Management		
Neil Sachdev	Commercial Services Director	Senior Management		
Dido Harding	Convenience Director	Senior Management		

Source: Annual Report, Company Website, Primary and Secondary Research

20.3.3 J Sainsbury plc - Key Employee Biographies

Table 263: J Sainsbury plc, Key Employee Biographies

<p>Justin King Job Title: Chief Executive Officer Board Level: Executive Board Since: 2004 Age: 47</p>	<p>Justin King is the chief executive officer of Sainsbury since 2004. He is also the chairman of the operating board of the company. Prior to this, he was a director of Staples since September 2007. Also he was the director of Food at Marks & Spencer and from 1994 to 2001. Mr. King was the managing director of Häagen Dazs UK and spent much of his early career with Mars Confectionery and Pepsi International.</p>
<p>Darren Shapland Job Title: Chief Financial Officer Board Level: Executive Board Since: 2005 Age: 42</p>	<p>Darren Shapland is the chief financial officer of Sainsbury since 2005. He is also the chairman of Sainsbury's Bank plc. Prior to this, he was a group finance director of Carpetright plc from 2002 to 2005.</p>
<p>Source: Annual Report, Company Website, Primary and Secondary Research</p>	

20.3.4 J Sainsbury plc - Locations And Subsidiaries

Head office:

J Sainsbury plc

33 Holborn

London

ENG

ZIP: EC1N 2HT

United Kingdom

Tel: +44 20 76956000

Fax: +44 20 76957610

20.4 J Sainsbury plc - Financial Ratios

20.4.1 Financial Ratios - Capital Market Ratios

Table 264: J Sainsbury plc, Ratios based on current share price

Key Ratios	16-Sep-2009
P/E (Price/Earnings) Ratio	20.24
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	16.27
Enterprise Value/Sales	0.40
Enterprise Value/Operating Profit	11.27
Enterprise Value/Total Assets	0.76
Dividend Yield	0.04

Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers

Source: Annual Report, Company Website, Primary and Secondary Research

20.4.2 Financial Ratios - Annual Ratios

Table 265: J Sainsbury plc, Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	-0.17	0.04	0.19	0.19	0.16
Dividend per Share	GBP	0.08	0.08	0.10	0.12	0.13
Dividend Cover	Absolute	-2.23	0.47	1.94	1.55	1.24
Book Value per Share	GBP	2.37	2.27	2.51	2.82	2.50
Cash Value per Share	GBP	0.41	0.60	0.65	0.41	0.36
Profitability Ratios						
Gross Margin	%	4.33	6.64	6.83	5.62	5.48
Operating Margin	%	-0.99	1.43	3.03	2.97	3.56
Net Profit Margin	%	1.21	0.40	1.89	1.84	1.53
Profit Mark up	%	4.52	7.12	7.33	5.95	5.80
PBT Margin (Profit Before Tax)	%	-1.57	0.65	2.78	2.69	2.46
Return on Equity	%	4.57	1.65	7.47	6.67	6.60
Return on Capital Employed	%	-2.29	2.89	7.59	7.10	9.46
Return on Assets	%	1.58	0.50	3.39	3.25	2.88
Return on Fixed Assets	%	-1.73	2.57	6.79	6.23	7.95
Cost Ratios						
Operating Costs (% of Sales)	%	100.99	98.57	96.97	97.03	96.44
Administration Costs (% of Sales)	%	5.46	5.22	3.90	2.81	2.22
Liquidity Ratios						
Current Ratio	Absolute	0.58	0.79	0.70	0.61	0.54
Quick Ratio	Absolute	0.47	0.67	0.49	0.35	0.30
Cash Ratio	Absolute	0.16	0.21	0.41	0.27	0.24
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.54	0.89	0.58	0.45	0.55
Debt to Capital Ratio	Absolute	0.33	0.43	0.37	0.30	0.34
Efficiency Ratios						
Asset Turnover	Absolute	1.31	1.26	1.79	1.76	1.88
Fixed Asset Turnover	Absolute	2.15	2.27	2.39	2.40	2.42
Inventory Turnover	Absolute	26.02	26.03	27.08	24.72	25.94
Current Asset Turnover	Absolute	5.24	4.20	8.96	11.08	12.05
Capital Employed Turnover	Absolute	3.78	4.13	3.94	3.61	4.32
Revenue per Employee	GBP					380,503
Net Income per Employee	GBP					5,815
Capex to Sales	%	4.76	3.46	4.58	5.49	5.16

Source: Annual Report, Company Website, Primary and Secondary Research

20.4.3 Financial Ratios - Interim Ratios

Table 266: J Sainsbury plc, Interim Ratios

Key Ratios	Unit/Currency	Oct-2007	Mar-2008	Oct-2008	Mar-2009
Interim EPS (Earnings per Share)	GBP	0.09	0.09	0.10	0.07
Book Value per Share	GBP	2.70	2.82	2.72	2.50
Current Ratio	Absolute	0.63	0.61	0.57	0.54
Asset Turnover	Absolute	0.94	0.85	0.97	0.89
Current Asset Turnover	Absolute	5.63	5.33	6.46	5.72
Working Capital Turnover	Absolute	-9.62	-8.24	-8.40	-6.65

Source: Annual Report, Company Website, Primary and Secondary Research

21 Company Profile: Alliance Boots Holdings Limited

Note: Alliance Boots Holdings Limited is a private company and hence detailed financials are not available.

21.1 Alliance Boots Holdings Limited Company Overview

Alliance Boots Holdings Limited is engaged in pharmacy-led health and beauty retailing and pharmaceutical wholesaling in many major international markets. The company is a holding company with in the Alliance Boots GmbH. It has a strong portfolio of brands ranging from skincare, medicines, healthcare products and many more. The company's brands include No 7, Soltan, Botanics and Almus. Major businesses of Alliance are pharmacy-led health and beauty, retailing and pharmaceutical selling. Alliance Boots Holdings Limited is legally headquartered at Baarerstrasse, Switzerland although operational headquarters are in the UK.

21.1.1 Alliance Boots Holdings Limited - Business Description

Alliance Boots Holdings Limited is an in-store retailer engaged in operating pharmacy and health and beauty store. The company sells cosmetics, health care and skin care products and medicines. It operates 3,200 outlets and 370 distribution centers across 20 countries. The company operates in three divisions which include health and beauty, pharmaceutical wholesale and contract manufacturing.

Health and beauty division operates 3,200 health and beauty stores, which includes 3,000 pharmacy stores. It retails lifestyle products, beauty and toiletries, and health products under its own brands, which includes No7, Soltan and Botanics. It operates pharmaceutical stores in the UK, Norway, Ireland, The Netherlands, Italy, Russia and Thailand. It also operates in Switzerland, China and Italy through its associates and joint ventures. The company also runs 35 franchise Boots stores in the Middle East. Health and beauty division operate its stores under the brand name Boots. In addition, the company also operates opticians with 685 optical practices in the UK. This division has contributed 41.56% of the total revenues of the company for the fiscal year 2009.

Pharmaceutical wholesale division is engaged in supplying healthcare products and medicines to doctors, pharmacies, health centers and hospitals. It also offers services which include direct deliveries to pharmacies, pre-wholesale and contract logistics, and specialized medicine delivery including related home healthcare to the pharmaceutical manufacturers. This division operates in nine countries. This division has contributed 65.51% of the total revenues for the fiscal year 2009.

Contract manufacturing is engaged in manufacturing healthcare, cosmetic and toiletry products. It operates three manufacturing facilities in the UK, France and Germany and one associate assembly plant in Poland. It operates these facilities under the brand name BCM. This division has contributed 0.61% of the total revenues for the fiscal year 2009.

21.1.2 Alliance Boots Holdings Limited - Major Products and Services

Alliance Boots Holdings Limited company's key products and brands include the following:

Table 267: Alliance Boots Holdings Limited, Major Products and Services

Products:

Skincare Products

Medicines Products

Healthcare Products

Brands:

No 7

Soltan

Botanics

Almus

Source: Company Website, Primary and Secondary Research

21.1.3 Alliance Boots Holdings Limited - History

Table 268: Alliance Boots Holdings Limited, History

2009	Acquisitions/Mergers/Takeovers	Boots Opticians merged with Dollond & Aitchison.
2008	Contracts/Agreements	Alliance Boots gained a 50-50 joint venture with Guangzhou Pharmaceuticals Corporation ('GP Corp').
2008	Acquisitions/Mergers/Takeovers	Hedef Alliance and UCP acquired a 30% stake in Hydrapharm Spa.
2008	Acquisitions/Mergers/Takeovers	Alliance Boots acquired Central Homecare, Depolabo and a 90% of Megapharm in Germany.
2007	Ownership Changes	AB Acquisitions Limited acquired Alliance Boots.
2006	Acquisitions/Mergers/Takeovers	Alliance UniChem Plc merged with Boots Group PLC formed Alliance Boots plc.
2006	Other	The company sold Boots Healthcare International (BHI).
2005	Contracts/Agreements	Alliance UniChem entered into partnership with Associação Nacional das Farmacias (ANF).
2005	Acquisitions/Mergers/Takeovers	Alliance UniChem acquired Alloga from Galenica.
2003	Acquisitions/Mergers/Takeovers	Alliance UniChem acquires 40% stake in UCP through Hedef Alliance.
2000	Acquisitions/Mergers/Takeovers	The company acquired Alliance Apotekene pharmacies, Interpharm and De Vier Vijzels.
1998	Acquisitions/Mergers/Takeovers	S.A.F.A. was acquired by Alliance UniChem in Spain.
1997	Contracts/Agreements	A joint venture occurred between Alliance Santé and UniChem in Portugal and Alliance Sante merged with UniChem and formed Alliance UniChem.
1996	Corporate Changes/Expansions	The company opened its first store in Dublin, Republic of Ireland.
1991	Corporate Changes/Expansions	UniChem Group purchased Moss Chemists.
1969	New Products/Services	The company launched Ibuprofen in the UK.
1939	New Products/Services	The company launched Soltan sun care.
1938	Corporate Changes/Expansions	The company's pharmaceutical division formed, UniChem group.
1935	New Products/Services	The company launched No7 cosmetics.
1927	Acquisitions/Mergers/Takeovers	The company acquired Beeston site in Nottingham.
1849	Incorporation/Establishment	The company opened its first store in Nottingham.

Source: Company Website, Primary and Secondary Research

21.2 Alliance Boots Holdings Limited - Key Facts

21.2.1 Alliance Boots Holdings Limited - Key Competitors

The following companies are the major competitors of Alliance Boots Holdings Limited:

AAH Pharmaceuticals Ltd.

PHOENIX Medical Supplies Ltd.

Sigma Pharmaceuticals Limited

Genus Pharmaceuticals

Unidrug Distribution Group Limited

21.2.2 Alliance Boots Holdings Limited - Key Employees

Table 269: Alliance Boots Holdings Limited, Key Employees

Name	Job Title	Board Level	Since	Age
Stefano Pessina	Chairman	Executive Board	2007	
Steve Duncan	Chairman, Health & Beauty division, Director	Executive Board	2007	
George Fairweather	Director, Finance	Executive Board	2006	
Marco Pagni	Chief Administrative Officer, Director, Group Legal Counsel	Executive Board	2007	
Ornella Barra	Chief Executive Officer, Pharmaceutical Wholesale Division, Director	Executive Board	2009	
Alex Gourlay	Chief Executive Officer, Health & Beauty Division, Director	Executive Board	2007	
Dominic Murphy	Director	Executive Board		
Mattia Caprioli	Director	Executive Board		
Sergio D'Angelo	Director	Executive Board		
Nick Land	Director	Non Executive Board	2008	
Chris Britton	Director	Non Executive Board	2008	
Tony De Nunzio	Director	Non Executive Board	2008	
Etienne Jornod	Director	Non Executive Board	2008	

Source: Company Website, Primary and Secondary Research

21.2.3 Alliance Boots Holdings Limited - Key Employee Biographies

Table 270: Alliance Boots Holdings Limited, Key Employee Biographies

Stefano Pessina
Job Title: Chairman
Board Level: Executive Board
Since: 2007

Stefano Pessina has been the chairman of the company since 2007. Prior to this, he served as the executive deputy chairman of the company. Before the merger of Alliance UniChem and Boots Group, he served as the executive deputy chairman of Alliance UniChem and also served as the chief executive officer for three years. He joined Alliance UniChem in 1997 and served as the board member.

Marco Pagni
Job Title: Chief Administrative Officer, Director,
Group Legal Counsel
Board Level: Executive Board
Since: 2007

Marco Pagni has been group legal counsel, chief administrative officer and director of the company since 2007. Prior to this, he served as the general counsel and company secretary of Alliance Boots from 2003 to 2007. Before joining the company, he served in various senior management positions at McDonalds.

Source: Company Website, Primary and Secondary Research

21.2.4 Alliance Boots Holdings Limited - Locations And Subsidiaries

Head Office

Alliance Boots Holdings Limited
361 Oxford St.
4th Floor
London
ZIP: W1C 2JL
United Kingdom
Tel: +44 115 950 6111
Fax: +44 20 7491 0149

Other Locations & Subsidiaries

Alliance Boots Holdings Limited, Other Locations

Boots Opticians	BCM
1 Thane Road West	D10 Building
Nottingham	Thane Road, Beeston
Zip: NG2 3AA	Nottingham
United Kingdom	Zip: NG90 2PR
Tel: +44 0115 950 6111	United Kingdom
Fax: +44 0115 959 5525	Tel: +44 0115 968 6394
Url: www.bootsopticians.com	Fax: +44 0115 968 6441
	Url: www.boots-manufacturing.co.uk

Source: Company Website, Primary and Secondary Research

22 Company Profile: Wm Morrison Supermarkets PLC

22.1 Wm Morrison Supermarkets PLC Company Overview

Wm Morrison Supermarkets Plc (Morrisons) is engaged in the business of food and beverage retailing through supermarkets. The company, along with its subsidiaries, offers a wide range of products, which includes grocery, fish and meat, bakery items, alcoholic and non-alcoholic beverages, pharmaceuticals, dairy based products, garden furniture and tools, and recipes. The company offers its entire range of product portfolio under both private label as well as renowned brands in and around UK. The company operates through a network of 382 stores under the banner Morrisons.

22.1.1 Wm Morrison Supermarkets PLC - Business Description

Wm Morrison Supermarkets Plc (Morrisons) is a food retailer operating through a wide network of supermarkets. The company is the fourth largest food retailer in the UK and employs 50,934 people. The company is a vertically integrated company with business operations being categorized into three divisions namely, Manufacturing, Distribution and Market Street.

Under the Manufacturing division, the company operates 13 manufacturing facilities with 12 in the UK and one in the Netherlands. The company also owns facilities for the production of bakery items, fresh produce and meat items. The company operates three bakeries producing over six million loaves, rolls and muffins each week; a meat processing plant for preparing and supplying beef, pork and lamb to its stores and six fresh fruits and vegetable packing facilities. Morrisons also owns one food preparation factory and three abattoirs.

Under the Distribution division, the company owns 12 distribution centers and transportation fleets to supply merchandise to its stores. The company operates over 680 tractor units and 2,000 trailers which carries over 16 million cases of products to stores each week.

Under the Market Street division, the company produces and offers various ready to eat food items. It operates seven departments namely, Your Fishmonger, Fresh to Go, The Delicatessen, The Bakery, Oven Baked, The Cake Shop and Family Butcher. It offers over 18,000 items through 2,000 Bakers, 1,500 Butchers and 800 Fishmongers at its In-Store facilities.

Along with a wide range of branded and private label products, Morrisons offers various services to its customers. It operates and manages a range of in-store pharmacies, 287 petrol filling stations, and facilities for shoppers with disabilities, in-store cafe and photo processing services. Some of the key private label brands of the company include The Best, Eat Smart, Value, Organic, Kids Smart, Food Fusion and Wholefoods among others.

Morrisons performs its in-house operations through various subsidiaries which include Farmer Boy Limited, Wm Morrison Produce Limited, Bos Brothers Fruit and Vegetables BV, and Neerock Limited. Farmers Boy Limited operates fresh food factory which is engaged in producing pies, pizzas, cooked meats and sausages besides packing bacon and cheese. Wm Morrison Produce Limited is engaged in buying, packing and distributing vegetables and fruits that are sold in its stores. The company's meat processing business is operated by Neerock Limited.

22.1.2 Wm Morrison Supermarkets PLC - Major Products and Services

Wm Morrison Supermarkets Plc is engaged in the business of food and beverage retailing through supermarkets. The key products and services offered by the company include:

Table 271: Wm Morrison Supermarkets PLC, Major Products and Services

Products:

Bakery Products
 Cheese and Bacon
 Fresh Food
 Fruit and Vegetables
 Grocery
 Meat and Fish
 Pizzas and Pies
 Wine and Spirits

Services:

Dry Cleaning
 Facilities for Shoppers with Disabilities
 In-Store Cafe
 Pharmacy Services
 Photo Printing
 Petrol Filling Stations

Brands:

Eat Smart
 Food Fusion
 Free From
 Kids Smart
 Organic
 The Best
 Value
 Wholefoods

Source: Annual Report, Company Website, Primary and Secondary Research

22.2 Wm Morrison Supermarkets PLC - History

Table 272: Wm Morrison Supermarkets PLC, History

2008	New Products/Services	The company launched a new range of toys for pre-school children.
2007	Corporate Changes/Expansions	The company established its first smaller format stores in Erskine, Scotland.
2007	New Products/Services	The company introduced over 35 locally produced fresh foods into its stores in North Yorkshire.
2006	Corporate Changes/Expansions	The company established the UK's first BioEthanol E85 filling pump on the forecourt of its Albion Way, Norwich site.
2006	Other	The company sold its six stores and a non-operational distribution site at Aylesford in Kent to Waitrose for £83.7 million.
2006	Corporate Changes/Expansions	The company established a new pharmacy at Morrison's Riversway store in Preston.
2005	Acquisitions/Mergers/Takeovers	The company acquired three factories from Rathbones.
2005	Acquisitions/Mergers/Takeovers	The company's supermarkets acquired Kepak Group's Buchan meat processing plant at Turiff in Aberdeenshire, UK.
2004	Corporate Changes/Expansions	The company established its first store in Scotland.
2004	Acquisitions/Mergers/Takeovers	The company acquired Safeway.
2004	Acquisitions/Mergers/Takeovers	The company acquired fresh produce packhouse and distribution centre in Northamptonshire.
2004	Other	The company sold its 114 Safeway Compact Stores.
2000	Corporate Changes/Expansions	The company established its first Welsh store at Rhyl in Wales.
1999	Corporate Changes/Expansions	The company opened its 100th store at Nelson.
1998	Corporate Changes/Expansions	The company established its first store in South of England in Erith, Greater London.
1997	Corporate Changes/Expansions	The company established its second distribution center, Gadbrook Park in Cheshire.
1988	Corporate Changes/Expansions	The company established its first distribution center, Wakefield 41.
1980	Corporate Changes/Expansions	The company's wholly owned subsidiary, Farmers Boy began operations.
1978	Acquisitions/Mergers/Takeovers	The company acquired Whelan Stores and began operations in Lancashire, UK.
1976	Corporate Changes/Expansions	The company established Cutler Heights produce packhouse in Bradford
1971	Corporate Changes/Expansions	The company opened The Hilmore House office, warehouse and factory complex in Bradford.
1961	Corporate Changes/Expansions	The company established its first supermarket in Bradford with a retail space of 5000 sq ft.
1958	Corporate Changes/Expansions	The company opened its first counter service store in a small towncenter shop in Bradford, UK.
1899	Incorporation/Establishment	William Morrison was established in 1899.

Source: Annual Report, Company Website, Primary and Secondary Research

22.3 Wm Morrison Supermarkets PLC - SWOT Analysis

22.3.1 SWOT Analysis - Overview

Wm Morrison Supermarkets PLC (Morrison's) is one of the UK's largest food retailers. It is engaged in the operation of retail supermarket stores and associated activities. It offers a wide range of goods including fresh foods, groceries, home and leisure products, beers, wines and spirits through its stores. The company operates across the supply chain and has a strong foothold in the UK. Furthermore, it has good growth prospects in the near future amidst the rising private label products, and growing organic and spirits market. However, the increasing expenses and geographic concentration may adversely affect the company's margins. Furthermore, the adverse global scenarios such as rising labor costs and highly competitive markets can act as a hindrance in the company's growth plan. It is also subject to the loss of a rise in sales due to the absence of an online retailing channel which might hamper the company's market share.

22.3.2 Wm Morrison Supermarkets PLC - Strengths

- **Strength - Strong Presence Across the Supply Chain**

The company operates across the supply chain ranging from manufacturing to distribution to retailing. It owns manufacturing facilities which reduces the supply chain lead time, maximizes the freshness in-store and reduces waste and costs. It operates its own transport fleet, providing cost control and the quickest turnaround time between order and delivery compared to any other supermarkets. It prepares food in-store which helps the company change its product offerings according to the changing customer preferences. All these factors enable the company to provide quality merchandise to customers at low prices. Thus the operation throughout the supply chain enables the company to attract more customers and also makes it cost efficient.

- **Strength - Strong Foothold in the UK Market**

Morrison's is one of the UK's largest food retailers. It has a strong network of 382 stores across the UK along with its own supply chain and manufacturing sites. The company's supermarket stores are spread across the country ranging from Erith in the South to Morrison's in the North and across, Yorkshire, Lincolnshire, East Anglia, the Midlands, Lancashire, Cheshire and Wales along with significant presence in the northern region of the UK. The company holds fourth position by sales and second position by market capitalization in the UK region. For the fiscal year 2008, it has won the Supermarket Fresh Pasta Retailer of the Year award and Supermarket Fresh Pizza Retailer of the Year award given by Pizza Pasta and Italian Food Association (PAPA). Morrison's also won two major Marketing Week awards, Free From Food Awards, Grocer Gold Awards, British Sandwich Association Awards, The Grocer Own Label Excellence Awards, Quality Drinks Awards and Retail Week Awards. The company's strong foothold in the UK offers the company an edge over its competitors in attracting and retaining its customer base. It also helps the company while expanding its product lines as well as its geographical reach.

- **Strength - Wide Product Portfolio**

The company boasts of a wide product portfolio. The company offers a broad range of goods including fresh foods, groceries, home and leisure products, beers, wines and spirits through its stores. The company offers a range of branded label products including The Best, Eat Smart, Betta Buy, Organic, At Home, First Home and Complexions besides various other private label products. Its subsidiary, Farmers Boy Limited produces pies, pizzas, cooked meats and sausages as well as packs bacon and cheese while Wm Morrison Produce Limited

buys, packs and distributes the vegetables and fruits sold in its stores. The company's meat processing business is operated by Neerock Limited. The company also operates and manages a range of in-store pharmacy products and services. It also offers dry cleaning, petrol filling stations and photo processing services. Such a strong product portfolio helps the company cater to a broad customer segment, which in turn helps the company in increasing its market share as well as revenue base.

- **Strength - Strong Growth Prospects**

The company was trading at a price/earnings (P/E) ratio of 12.4 at the end of the fiscal year 2008. This was above the S&P 500 companies average* of 9.2. A higher than sector average P/E may indicate that the company may have high growth prospects which are reflected in its stock's premium pricing. Investors may be expecting higher earnings growth in the future compared to other companies in the sector.

22.3.3 Wm Morrison Supermarkets PLC - Weaknesses

- **Weakness - Limited Geographical Reach**

The company lacks a geographical reach and is concentrated in the UK market. Its products are sold through retail channels only in the UK and hence is lacking in terms of geographic reach as compared to its competitors. The company's operations are principally in the UK. Limited geographic presence increases the business risk of the company. This also acts as a hindrance for the expansion plans of the company as a wider reach in terms of geography would mean reaping more benefits, eventually improving the profit margins, attaining economies of scale and recognition on a worldwide basis.

- **Weakness - Product Recalls**

Frequent product recalls has been a major area of concern for the company. The company had to recall some of its products as they had been adulterated and misbranded. Such instances hamper the company's goodwill and pose a question to the products' quality. It causes inconvenience to customers and leads to a reduction in customer base. A widespread product recall results in significant losses due to the costs of the recall, destruction of the product inventory and lost sales due to the unavailability of the product for a period of time. In 2008, the company had to recall its Frozen Family Favorites Potato Croquettes branded products because of potential contamination with pieces of soft blue plastic. During 2007, supermarkets along with Morrisons were supplied with contaminated fuel that was subsequently sold to customers through petrol forecourts. The company replaced the contaminated fuel by compensating 4,500 affected customers. Furthermore, during the same year, a number of cases of E. coli were detected in Scotland and circumstantial evidence suggested that the source may have been the delicatessen counter of one of its stores. Hence, significant product recall cases results in loss of consumer confidence in its food products which has an adverse effect on the company's business results and the value of its brands.

- **Weakness - Limited Operating Margin**

The company's operating margin was 4.7% for the fiscal year 2008. This was below the S&P 500 companies average* of 14.7%. A lower than sector average* operating margin may indicate inefficient cost management or a weak pricing strategy by the company. However, the company's operating margin has increased 130 bps over 2007 which may indicate that the management has been focusing on profitability.

- **Weakness - Limited Liquidity Position**

The company's current ratio was 0.5 at the end of the fiscal year 2008. This was below the S&P 500 companies average* of 1.4. A lower than sector average* current ratio indicates that the company is in a weaker financial position than other companies in the sector.

22.3.4 Wm Morrison Supermarkets PLC - Opportunities

- **Opportunity - Growing Market for Organic Products**

The company could leverage on the rising demand for organic products to drive its top line growth. The organic sector has seen dramatic growth in recent years with consumer demand currently outpacing domestic production as it is fuelled by the burgeoning green trend. Natural and organic food products segment is one of the fastest growing categories in food retailing. The retail sales of beverages and organic products are expected to grow at a CAGR of 15% for the period 2005-2010 and reach about £3 billion by the period end. Preference for natural, fat-free and healthy food products has been increasing in the UK from the past few years. The company offers various products like eggs, cheese, potatoes, mushrooms, tea bags and muesli under its own label 'Organic'. Furthermore, the company plans to add over 400 organic products which include breakfast cereals, fruit juices, breads and meats in the near future. The company's strong foothold in the organic food market enables it to have a competitive edge over its peers. The company can capitalize on its distribution network and organic food offerings to increase its market share and revenues.

- **Opportunity - Rising Demand for Private Labels**

The company has an opportunity to capitalize on changing consumer preference towards the private label goods. The global demand for the private labels has been on a rise, especially in the developed countries like the UK. The private label products are expected to generate £52 billion by 2010 in the UK region. This strong growth offers the retailers the opportunity to invest in the development of their own private labels. These private labels also offer the retailers higher margin, which is generally 300 to 500 basis points higher than the national brands. These gains are thus transferred to the customers in the form of low prices. Morrisons has a broad collection of private label items and enjoys brand loyalty. This established presence offers the company a huge potential to capitalize on the increasing consumer acceptance of private label goods.

- **Opportunity - Growth in Global Spirits Market**

The company has the opportunity to increase its revenue amidst the growing global spirits market. By 2009, the international spirits market is expected to grow by 12%, which is twice the rate of growth experienced between 2000 and 2004. Spirit sales proved the most lucrative for the alcoholic drinks market generating total revenues of \$18,272.3 million, equivalent to 90% of the market's overall value. In comparison, sales of beer, cider & FABs generated revenues of \$1,880.3 million equating to 9.3% of the market's aggregate revenues. Morrison offers a wide range of fine wines which includes Gewurztraminer Grand Cru Brand, Mount Riley Sparkling Sauvignon Blanc, Dom Perignon and Lo Zoccolao Barolo. Its spirits range includes Warming Ginger Toddy, Seville Secret, Cream Silk and Sherry Dream. Its mocktails include Classic margarita, Elderflower iced tea, Pomegranate passion, Blue Hawaiian, Apple mojito, Martini spritzer and Raspberry Bellini. Thus a strong presence in the spirit market offers the company an opportunity to boost up its revenues.

22.3.5 Wm Morrison Supermarkets PLC - Threats

- **Threat - Growing Competitive Market**

The company faces a stiff competition with various companies that are in the business of food and beverage retailing. The company faces firm competition from players like ASDA Group Limited, J Sainsbury plc, Marks and Spencer Group plc, Somerfield, Tesco PLC and Booker Cash & Carry Limited. With the entry of more new players in this market, the current level of competition is expected to further intensify in the near future. If the company is not able to maintain the product quality and consumer loyalty, this intense competition could reduce the sales volume of the company, thereby hampering its market position. Rising competition may also force the company to reduce its prices which in turn may adversely affect its margins.

- **Threat - Lack of Online Presence**

With the retail industry shifting towards e-tailing, the lack of online presence may have a major impact on the business of Morrisons. The strong growth opportunities and cost benefits offered by the online retail format has encouraged many supermarket chains to establish their e-commerce activities. The company's competitors such as ASDA, Tesco and Sainsbury in the UK have already started retailing through the internet. As Morrisons is yet to foray the online shopping format, it is losing out on the strong growth opportunities in this retail format. It also loses out on the cost advantage offered through the direct retail format as the middlemen in the supply chain are non-existent. Established competitors may also lure away the internet-savvy customers of the company, resulting in the loss of market share as well as revenues.

- **Threat - Increasing Manpower Cost**

The labor costs have been on the rise globally, especially in the developed countries like UK and will have a major impact on the company's operational efficiency. In the UK, the government has already increased the minimum wage rate from £5.52 per hour in October 2007 to £5.73 an hour in October 2008. It is further expected to increase in the next few years. Given the competitive environment and rigid liquidity scenario, it becomes difficult for the company to attract and retain competent employees at reasonable pay. With the company's employee base of about 50,934 people, it is bound to come under pressure due to the pay hikes. If it fails to comply with future price hikes, it may face labor strikes that might result in huge losses as well as tarnishing its brand image.

22.4 Wm Morrison Supermarkets PLC - Key Facts

22.4.1 Wm Morrison Supermarkets PLC - Key Competitors

The following companies are the major competitors of Wm Morrison Supermarkets PLC:

Booker Cash & Carry Limited

J Sainsbury plc

Marks and Spencer Group plc

Somerfield Group

Tesco PLC

22.4.2 Wm Morrison Supermarkets PLC - Key Employees

Table 273: Wm Morrison Supermarkets PLC, Key Employees

Name	Job Title	Board Level	Since	Age
Marc Bolland	Chief Executive Officer, Director	Executive Board	2006	49
Mark Gunter	Group Retail Director	Executive Board	2000	50
Martyn Jones	Group Trading Director	Executive Board	2007	50
Richard Pennycook	Group Finance Director	Executive Board	2005	45
Sir Ian Gibson	Chairman	Non Executive Board	2008	62
Brian Flanagan	Director	Non Executive Board	2005	56
Paul Manduca	Senior Independent Director	Non Executive Board	2005	57
Susan Murray	Director	Non Executive Board	2005	52
Nigel Robertson	Director	Non Executive Board	2005	49
Philip Cox	Director	Non Executive Board	2009	57

Source: Annual Report, Company Website, Primary and Secondary Research

22.4.3 Wm Morrison Supermarkets PLC - Key Employee Biographies

Table 274: Wm Morrison Supermarkets PLC, Key Employee Biographies

<p>Marc Bolland Job Title: Chief Executive Officer, Director Board Level: Executive Board Since: 2006 Age: 49</p>	<p>Mr. Marc Bolland has been the Chief Executive Officer and the Director of the company since 2006. Prior to this, he served as the Chief Operating Officer and Executive Board member of Heineken NV. He also served in various senior positions at Heineken for 20 years, handling responsibilities for the brand and marketing strategies. He also serves as the Non Executive Director of Manpower Inc.</p>
<p>Sir Ian Gibson Job Title: Chairman Board Level: Non Executive Board Since: 2008 Age: 62</p>	<p>Sir Ian Gibson has been the Non Executive Chairman of the company since 2008. Prior to this, he served as the Deputy Chairman of the company from 2007 to 2008. He also serves as the Non Executive Chairman of Trinity Mirror PLC. Previously, he served as the Chairman of BPB PLC, the Deputy Chairman of Asda Group PLC and a Director of Chelys Limited, GKN PLC, Greggs Plc and Northern Rock Plc. He also served as a member of the Court of the Bank of England.</p>

Source: Annual Report, Company Website, Primary and Secondary Research

22.4.4 Wm Morrison Supermarkets PLC - Locations And Subsidiaries

Head Office

Wm Morrison Supermarkets PLC
 Hilmore House
 Gain Lane
 Bradford
 ENG
 ZIP: BD3 7DL
 United Kingdom
 Tel: +44 845 6115000
 Fax: +44 1274 487269

Other Locations & Subsidiaries

Table 275: Wm Morrison Supermarkets PLC, Subsidiaries	
Safeway Limited United Kingdom	Farmers Boy Limited United Kingdom
Farock Insurance Company Limited Isle of Man	Neerock Limited United Kingdom
Wm Morrison Produce Limited United Kingdom	Rathbone Kear Limited United Kingdom
Source: Annual Report, Company Website, Primary and Secondary Research	

22.5 Wm Morrison Supermarkets PLC - Financial Ratios

22.5.1 Financial Ratios - Capital Market Ratios

Table 276: Wm Morrison Supermarkets PLC, Ratios based on current share price

Key Ratios	16-Sep-2009
P/E (Price/Earnings) Ratio	16.82
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	12.69
Enterprise Value/Sales	0.57
Enterprise Value/Operating Profit	12.38
Enterprise Value/Total Assets	1.01
Dividend Yield	0.02
Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers	
Source: Annual Report, Company Website, Primary and Secondary Research	

22.5.2 Financial Ratios - Annual Ratios

Table 277: Wm Morrison Supermarkets PLC, Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	0.04	-0.09	0.09	0.21	0.17
Dividend per Share	GBP	0.04	0.04	0.04	0.05	0.06
Dividend Cover	Absolute	1.11	-2.56	2.33	4.31	2.96
Book Value per Share	GBP	1.51	1.36	1.47	1.63	1.72
Cash Value per Share	GBP	0.04	0.05	0.09	0.07	0.12
Profitability Ratios						
Gross Margin	%	24.69	2.66	5.10	6.31	6.28
Operating Margin	%	2.11	-2.17	3.40	4.72	4.62
Net Profit Margin	%	0.87	-2.07	1.99	4.27	3.17
Profit Mark up	%	32.86	2.73	5.38	6.73	6.71
PBT Margin (Profit Before Tax)	%	1.59	-2.58	2.96	4.72	4.51
Return on Equity	%	2.62	-6.86	6.31	12.65	10.18
Return on Capital Employed	%	4.28	-4.66	7.67	10.58	10.82
Return on Assets	%	1.36	-3.36	3.36	7.26	5.59
Return on Fixed Assets	%	3.68	-3.89	6.39	9.09	9.37
Cost Ratios						
Operating Costs (% of Sales)	%	97.89	102.17	96.60	95.28	95.38
Administration Costs (% of Sales)	%	12.94	1.95	2.18	2.07	1.93
Liquidity Ratios						
Current Ratio	Absolute	0.43	0.38	0.40	0.49	0.53
Quick Ratio	Absolute	0.19	0.16	0.21	0.25	0.28
Cash Ratio	Absolute	0.06	0.08	0.12	0.14	0.16
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.32	0.36	0.26	0.19	0.23
Debt to Capital Ratio	Absolute	0.22	0.23	0.19	0.15	0.17
Efficiency Ratios						
Asset Turnover	Absolute	1.57	1.63	1.69	1.70	1.77
Fixed Asset Turnover	Absolute	2.05	1.90	1.96	2.01	2.13
Inventory Turnover	Absolute	21.46	29.53	32.14	27.49	27.56
Current Asset Turnover	Absolute	16.33	17.50	16.62	14.31	13.63
Capital Employed Turnover	Absolute	3.03	3.32	3.17	2.96	3.21
Revenue per Employee	GBP					285,232
Net Income per Employee	GBP					9,031
Capex to Sales	%	3.53	5.24	2.06	3.10	4.67
Source: Annual Report, Company Website, Primary and Secondary Research						

22.5.3 Financial Ratios - Interim Ratios

Table 278: Wm Morrison Supermarkets PLC, Interim Ratios

Key Ratios	Unit/Currency	Jul-2007	Feb-2008	Aug-2008	Feb-2009
Interim EPS (Earnings per Share)	GBP	0.08	0.12	0.08	0.09
Book Value per Share	GBP	1.53	1.63	1.66	1.72
Current Ratio	Absolute	0.55	0.49	0.49	0.53
Asset Turnover	Absolute	0.77	0.91	0.91	0.90
Current Asset Turnover	Absolute	5.02	7.68	7.06	6.96
Working Capital Turnover	Absolute	-6.11	-7.34	-6.72	-7.75

Source: Annual Report, Company Website, Primary and Secondary Research

23 Company Profile: Marks & Spencer Group plc

23.1 Marks & Spencer Group plc Company Overview

Marks and Spencer Group plc (M&S) is engaged in retailing of apparels, home products and food items. The company's product portfolio includes womenswear, menswear, kidswear, lingerie, cosmetics, footwear, homeware, laptops, groceries, ready meals and others. It offers several private label brands such as Classic, Portfolio, Indigo, Autograph, North Coast, Collezione and others. M&S sells its merchandise through company-owned and franchised stores, comprising 964 stores. Marks and Spencer Group plc principally operates in the UK and other 40 countries through 668 and 296 stores, respectively. The company is headquartered at London, United Kingdom.

23.1.1 Marks and Spencer Group plc - Business Description

Marks and Spencer Group plc (M&S) is a leading retailer of clothing and food in the UK. It is the holding company of the Marks & Spencer group of companies and employs 78,000 people. It offers apparels, home products and food items through company-owned and franchised stores. It sources its merchandise from more than 2,000 suppliers.

The company's business is categorized into two divisions, namely general merchandise including clothing and homeware and food.

The general merchandise division offers clothing and homeware. The clothing line includes womenswear, menswear, kidswear, lingerie and footwear. Its apparel private label brands include Classic, Portfolio, per una, Indigo, Autograph, Limited Collection, Blue Harbour, North Coast, Collezione, Portfolio, Adored, Body Solutions, Ceriso and Everyday Casualwear. The homeware product line include cosmetics, kitchen items, tableware, lighting, furniture products, soft furnishings, televisions, laptops, video games and others. In the fiscal year 2009, the division accounted for 50.1% of the total sales.

The food division offers a wide variety of food items including fresh and healthy food, groceries, gourmet food, ready meals, partly-prepared meals, beverages and other such food items. The division's private label food brands include Regional Ranges, Cook!, Cook Asian 1234, Gastropub, Wise Buys, Family Favourites and Dine In. In the fiscal year 2009, the division accounted for 49.9% of the total sales.

The company is engaged in other businesses through M&S Direct business. It is engaged in online retailing, catalogue business including Home catalogue, flower and wine delivery, lunches, catering service and hampers.

The company has its operations in several countries. The company owned stores are located in the UK, Republic of Ireland, Hong Kong, China, Greece, a few Balkan States, Switzerland, Czech Republic, Slovakia, Latvia and Lithuania. Its major store operations are in the UK comprising of 668 stores including 10 Premiere stores, 43 Major stores, 29 Retail Park stores, 209 High Street stores, 39 Outlets, 156 Simply Food wholly-owned and 182 Simply Food franchises. It operates in 40 territories through 296 stores. Its international store operations can be segregated into seven regions including Mediterranean and Islands (21), Ireland and Channel Islands (28), Middle East (20), Indian subcontinent (14), Southern and Eastern Europe (136), Far East

(76) and Bermuda (1). In fiscal year 2009, the UK and international operations accounted for 90.1% and 11.0% of the total revenues, respectively.

In February 2009, the company and npower signed a six year deal. According to the deal, npower will provide M&S with 2.6 TWh of renewable electricity from April 2009, enough to supply power to all the stores and offices in England and Wales.

23.1.2 Marks and Spencer Group plc - Major Products and Services

Marks and Spencer Group plc (M&S) company's key products, services and brands include the following:

Table 279: Marks and Spencer Group plc, Major Products and Services

Products:

Womenswear
 Menswear
 Kidswear
 Beauty Products
 Electronics
 Beverages
 Food
 Household items
 Furniture
 Textiles

Services:

Online Retailing
 Catalogue Business
 Flower and Wine Delivery
 Lunches
 Catering Service
 Hampers

Source: Annual Report, Company Website, Primary and Secondary Research

23.2 Marks and Spencer Group plc - History

Table 280: Marks and Spencer Group plc, History

2008	Acquisitions/Mergers/Takeovers	The company acquired 50% stake in Marks and Spencer Marinopoulos B.V.
2008	Acquisitions/Mergers/Takeovers	The company acquired 51% stake of the COMS a.s.
2007	Contracts/Agreements	M&S and two of its long-term suppliers, partnered to start the development of M&S' first 'eco-factories', pioneering innovative methods of sustainable manufacturing.
2007	New Products/Services	M&S launched its own brand, LCD widescreen TVs.
2006	Contracts/Agreements	M&S expanded 'Simply Food' format by acquiring 28 stores on a leasehold basis from Iceland Foods for a consideration of £38 million.
2005	Corporate Changes/Expansions	The company opened 31 Simply Food stores.
2003	New Products/Services	M&S announced the launch of its '&more' credit card.
2003	Corporate Changes/Expansions	Marks & Spencer Financial Services was re-branded as 'Marks & Spencer Money'.
2001	Other	The company sold its US clothing chain, Brooks Brothers for \$225 million.
1999	Other	M&S closed its 38 stores in Canada.
1973	Corporate Changes/Expansions	The company entered Canada by acquiring Peoples Department Stores and D'Allaird's, a national women's wear retailer, which was later sold by the company.
1903	Other	M&S was registered as a private limited company.
1894	Corporate Changes/Expansions	Thomas Spencer became a business partner.
1884	Incorporation/Establishment	Marks and Spencer (M&S) was founded in 1884 as a stall in an open market in Leeds, UK as Marks' Penny Bazaar.

Source: Annual Report, Company Website, Primary and Secondary Research

23.3 Marks and Spencer Group plc - SWOT Analysis

Marks and Spencer Group plc (M&S) is engaged in the retailing of apparels, home products and food items through both company-owned and franchised stores. The company has a strong presence in the UK through 668 stores. Its M&S Direct business and global operations are showing an upward trend in revenues in the fiscal year 2009. Further, the company can assure its growth through expansions, growth in the private label market and a rise in the online shopping trend. However, the company's potential may be limited due to its high dependence on the UK market and increased operational cost. Further, decline in retail sales, a highly competitive market and rising manpower cost may pose challenges to the company.

23.3.1 Marks and Spencer Group plc - Strengths

- **Strength - Strong Presence in the UK Market**

The company has a strong presence in the UK retailing industry through its wide store network. It operates through 668 stores, reaching a wide customer segment in the UK. In the fiscal year 2009, its customer base was more than 21 million in the UK. M&S is one of the leading providers of food and general merchandise and is known for its quality offerings. Such a wide customer segment and goodwill has enabled the company to increase its market share and strengthen its position in the retailing industry. According to Fashiontrak, the company's general merchandise segment has a market share of 10.7% in terms of value and 11.2% in terms of volume. Furthermore, according to TNS Worldpanel the company's food segment has a market share of 3.9%.

- **Strength - Strong Performance of M&S Direct Business**

The company's M&S Direct business has witnessed a growth in sales due to various new launches and offerings made in the fiscal year 2009. The sales for the M&S Direct business increased by 19% to £324m in fiscal year 2009. The launch of several new initiatives to improve the convenience of online shopping has enhanced its revenues in the Direct business. The company has made various new online offers, launched international deliveries, a Wine Club and 3,000 premium white goods. It also launched Your M&S TV, hosting nine channels of interviews and catwalk videos to enhance the customer shopping experience. The company expects to achieve £500m in sales through M&S Direct business by 2010/11.

- **Strength - Growth in Global Operations**

The company's global operations have witnessed a growth in revenue due to new strategies undertaken by it. It has its operations in 40 territories across the globe. In the fiscal year 2009, sales from international operations increased by 25.9% to £898m. New store openings, changes to the operational model and the launching of International Range Planner has increased the company's efficiency and enhanced its sales margin. Further, an efficient and cost-effective distribution system has facilitated the quick delivery of items to its stores and thus, providing better customer service. The company opened 32 new stores in the fiscal year ended 2009, increasing the international store count to 296. The company plans to achieve 15 to 20% of Group revenues by 2010/11 through owned and franchised stores.

23.3.2 Marks and Spencer Group plc - Weaknesses

- **Weakness - Highly Dependent on the UK Market**

The company is highly dependent on the UK retailing operations, which has made it vulnerable to the risk associated with the UK market. High dependence on this market makes the company sensitive to the demand dynamics of this region and limits the income growth of the company to growth potential of the economy. Moreover, it is exposed to risks associated with the economy, while its competitors with operations in other countries are guarded against such risk. Though the company has its operations in other regions such as Republic of Ireland, Hong Kong, Taiwan, Greece, Switzerland, Czech Republic, Slovakia, Latvia and Lithuania, its core operations are limited to the UK market, which restricts its revenue source. It derives a significant amount of revenue from the UK market. In the fiscal year 2009, the UK market accounted for 90.1% of the total revenues, whereas international operations accounted for only 9.9% of the total revenues. Its store count in UK has reached 668, which represents almost 70% of the total stores.

- **Weakness - Rise in Operational Cost**

The operational cost in the UK has recorded a growth due to increase in distribution costs, retail staffing costs and retail occupancy cost. In the fiscal year 2009, the operational cost increased to £2,743.4m from £2,630.m in the fiscal year 2008, an increase of 4.3% over the previous year. The distribution costs have increased by 6.95% in fiscal year ended 2009 compared to the previous year, due to the rise in fuel costs, as well as the volume growth in M&S Direct and furniture deliveries. Further, retail staffing costs and retail occupancy costs also increased by 1.95% and 12.7%, respectively.

23.3.3 Marks and Spencer Group plc - Opportunities

- **Opportunity - Rising Demand for Private Label Goods**

The company has an opportunity to increase its sales amidst the growing private label market. It can boost its revenues through numerous private label offerings, as these products offer higher margins to the retailers compared to other national brands. The company already offers private label products in the food and clothing segments. Some of its private labels are Classic, Portfolio, per una, Indigo, Regional Ranges, Cook! and Wise Buys. The increasing quality and low price characteristic of such products are enabling consumers to make such purchases. Furthermore, the current economic conditions have made private labels even more popular. According to a report by the Confederation of the Food and Drink Industries of the EU (CIAA), there is a shift in consumer spending towards private label products. Also, it is observed that the private label products have reaches as high as 48% in traditional retailers and 94% in discounters. In the UK, almost every top 30 retailer saw an increase in private label share in 2008.

- **Opportunity - Expansion through Acquisitions**

The company can expand operations in other regions through strategic acquisitions. Apart from generating higher revenues, such acquisitions will bring about various economies of scale related to intellectual property, increased capacity, growing distribution network and others. Further, it also facilitates a faster pace of growth and greater operating efficiency, thereby helping the company to grow bigger in size. During the fiscal year 2008, the company acquired a 50% stake of Marks & Spencer Marinopoulos BV, operating in the regions of Greece, Bulgaria, Croatia, Slovenia, Romania, Switzerland and Serbia through general merchandise and food stores. Further, M&S acquired 51% of the issued share capital of COMS a.s. for cash considerations.

- **Opportunity - Growing Online Shopping Trend**

The company can benefit due to the rising popularity of the online shopping trend, owing to ease and convenience offered by online shops. It can utilize the opportunity to market its presence across the globe through internet services, thereby increasing its customer base. It can further enhance its sales in the UK and other European countries through the increasing internet penetration in these regions. According to Internet World Stats at March 2009, about 70.9 % of the total population of the UK are internet users. UK has the second largest internet user base in Europe. Furthermore, the internet user growth from 2000-2008 has been about 180.7 % in the UK. The internet penetration in Europe is about 48.9% of the total population and the user growth has been 274.3% from 2000-2008. Internet retailing is gaining popularity day by day because of the convenience to shop from home, thereby avoiding the time consuming journey and billing queues. Hence, more and more customers are preferring to shop online and place their orders through credit cards. The company already operates through its website www.marksandspencer.com, offering food and apparel. Its online sales have witnessed a strong growth due to the rising customer confidence in payment security and delivery. In the fiscal year 2009, the sales from the company's website increased by 34%, outperforming the online market. The online clothing market share increased to 5.3% in 2009 from 4.5% in the previous year (Fashiontrak). The traffic to the site grew by 36% over the year.

23.3.4 Marks and Spencer Group plc - Threats

- **Threat - Decline in Retail Sales**

The company faces the challenge of decline in retail sales, owing to the economic slowdown in the UK. The economic slowdown has led to the tightening of the credit market, affecting the disposable income of consumers. It has restricted the consumers shopping activities to basic needs, which might adversely affect the company's retailing operations. The European Union's statistics agency, Eurostat, stated on June 2009, that for the year ended April 2009, the retail sales index dropped by 2.3% in the Eurozone and by 1.4% in the EU27. Further, for the year ended April 2009, food, drinks and tobacco fell by 1.2% in the Eurozone and by 0.4% in the EU27 as compared to the previous year. The non food sector in the Eurozone and EU27 decreased by 2.5% and 0.9% respectively.

- **Threat - Growing Competition in the Industry**

The company faces intense competition from various retailers, operating in the UK. Such competition may increase the company's operational costs in the form of increased expenditure in marketing and branding activities. It may also be required to offer products at a discount to attract customers, thereby lowering its margins. The retailing industry has high growth potential, which is encouraging many players to venture into the lucrative market. Many business houses have diversified into this industry, while the existing ones have expanded their product offerings to attract a wider customer base. The retailing industry has been witnessing consolidation, whereby larger companies are acquiring domestic retailers to increase their market presence. M&S competes with various independent retail stores, discount stores and specialty stores. Some of its competitors include ASDA Group Limited, Debenhams plc and J Sainsbury plc. These retailers have a strong financial arm and wide store network, posing a major threat for the company.

- **Threat - Increasing Manpower Costs**

The company's operational cost might increase due to the rising manpower costs in the UK over the past few years. It has about 73,000 employees in the UK, which is more than 90% of the total employees. With such high employee count in the UK, M&S may be adversely affected due to this pay rise, causing an increase in operational costs and lowering its profit margins. The shortage of talented manpower and increasing government mandated minimum wages has led to an upward trend in the labor costs. The government increased the minimum wage rate from £5.52 per hour in October 2007 to £5.73 an hour in October 2008. It is further expected to increase in the next few years.

23.4 Marks and Spencer Group plc - Key Facts

23.4.1 Marks and Spencer Group plc - Key Competitors

The following companies are the major competitors of Marks and Spencer Group plc:

Asda Stores Limited

Debenhams plc

J Sainsbury plc

NEXT plc

Gap Inc.

Wal-Mart Stores, Inc.

French Connection Group Plc

House of Fraser (Stores) Limited

23.4.2 Marks and Spencer Group plc - Key Employees

Table 281: Marks and Spencer Group plc, Key Employees

Name	Job Title	Board Level	Since	Age
Sir Stuart Rose	Chairman	Executive Board	2008	60
Sir David Michels			2006	62
Ian Dyson	Director, Group Finance and Operations	Executive Board	2008	46
Steven Sharp	Executive Director Marketing	Executive Board	2005	58
Kate Bostock	Executive Director, Clothing	Executive Board	2008	52
Jeremy Darroch	Director	Non Executive Board	2006	46
Martha Lane Fox	Director	Non Executive Board	2007	36
Steven Holliday	Director	Non Executive Board	2004	52
Louise Patten	Director	Non Executive Board	2006	55
Jan du Plessis	Director	Non Executive Board	2008	55
Clem Constantine	Director, Property and Store Development	Senior Management		
John Dixon	Director, Food	Senior Management		
Tanith Dodge	Director, Human Resources	Senior Management		
Carl Leaver	Director, International, Home and M&S Direct	Senior Management		
Nayna McIntosh	Director, Store Marketing and Design	Senior Management		
Steve Rowe	Director, Retail	Senior Management		
Andrew Skinner	Director, GM Merchandising and Planning	Senior Management		
Darrell Stein	Director, IT and Logistics	Senior Management		
Graham Oakley	Group Secretary	Senior Management	1997	52

Source: Annual Report, Company Website, Primary and Secondary Research

23.4.3 Marks and Spencer Group plc - Key Employee Biographies

Table 282: Marks and Spencer Group plc, Key Employee Biographies

<p>Sir Stuart Rose Job Title: Chairman Board Level: Executive Board Since: 2008 Age: 60</p>	<p>Sir Stuart Rose has been the chairman of the Marks & Spencer Group since 2008. He joined Marks & Spencer in 1972 and remained in the company till 1989, before becoming chief executive officer for Argos plc, Booker plc and Arcadia Group plc. He also serves as non-executive director of Land Securities plc and chairman of Business in the Community.</p>
<p>Sir David Michels Since: 2006 Age: 62</p>	<p>Sir David Michels has been the deputy chairman of the company since 2006. He also serves as senior independent director of easyJet plc and non-executive director of Strategic Hotels & Resorts and Jumeriah Group,</p>

Dubai. He served in other positions as well including senior independent director of The British Land Company plc, non-executive director of Arcadia Group and chief executive of Hilton Group plc.

Ian Dyson
Job Title: Director
Board Level: Executive Board
Since: 2008
Age: 46

Ian Dyson has been the group finance and operations director since 2008. He joined the company as group finance director in 2005. Prior to this, he served as finance director of The Rank Group plc. He also served as group financial controller of Hilton Group plc and non-executive director of Misys plc.

Source: Annual Report, Company Website, Primary and Secondary Research

23.5 Marks and Spencer Group plc - Locations And Subsidiaries

Head Office

Marks and Spencer Group plc

Waterside House

35 North Wharf Road

London

ENG

ZIP: W2 1NW

United Kingdom

Tel: +44 20 79354422

Fax: +44 20 74872679

23.6 Marks and Spencer Group plc - Financial Ratios

23.6.1 Financial Ratios - Capital Market Ratios

Table 283: Marks and Spencer Group plc, Ratios based on current share price

Key Ratios	16-Sep-2009
P/E (Price/Earnings) Ratio	11.58
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	12.23
Enterprise Value/Sales	0.95
Enterprise Value/Operating Profit	9.92
Enterprise Value/Total Assets	1.19
Dividend Yield	0.05

Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers

Source: Annual Report, Company Website, Primary and Secondary Research

23.6.2 Financial Ratios - Annual Ratios

Table 284: Marks and Spencer Group plc, Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	0.18	0.31	0.38	0.49	0.32
Dividend per Share	GBP	0.12	0.14	0.18	0.23	0.18
Dividend Cover	Absolute	1.45	2.21	2.10	2.16	1.81
Book Value per Share	GBP	0.51	0.72	0.97	1.23	1.32
Cash Value per Share	GBP					0.27
Profitability Ratios						
Gross Margin	%	34.75	38.29	38.91	38.65	37.21
Operating Margin	%	7.98	10.90	11.82	13.43	9.61
Net Profit Margin	%	7.83	6.71	7.68	9.11	5.61
Profit Mark up	%	53.26	62.04	63.68	62.99	59.26
PBT Margin (Profit Before Tax)	%	6.74	9.56	10.91	12.52	7.79
Return on Equity	%	64.47	43.46	40.07	41.99	24.40
Return on Capital Employed	%	16.48	26.22	26.90	23.42	17.59
Return on Assets	%	12.04	9.95	12.26	11.47	7.00
Return on Fixed Assets	%	14.82	20.65	22.39	20.26	14.84
Cost Ratios						
Operating Costs (% of Sales)	%	92.02	89.10	88.18	86.57	90.39
Administration Costs (% of Sales)	%	27.34	24.04	24.23	27.12	29.18
Liquidity Ratios						
Current Ratio	Absolute	0.67	0.57	0.53	0.59	0.60
Quick Ratio	Absolute	0.40	0.38	0.27	0.35	0.37
Cash Ratio	Absolute	0.23	0.24	0.15	0.19	0.25
Leverage Ratios						
Debt to Equity Ratio	Absolute	2.67	1.83	1.03	1.46	1.51
Debt to Capital Ratio	Absolute	0.67	0.68	0.45	0.55	0.63
Efficiency Ratios						
Asset Turnover	Absolute	1.54	1.48	1.60	1.26	1.25
Fixed Asset Turnover	Absolute	2.09	2.18	2.12	1.92	1.87
Inventory Turnover	Absolute	14.42	12.86	12.60	11.32	10.62
Current Asset Turnover	Absolute	9.00	6.83	10.15	7.63	6.52
Capital Employed Turnover	Absolute	8.24	6.48	5.22	4.61	4.35
Revenue per Employee	GBP					116,181
Net Income per Employee	GBP					6,513
Capex to Sales	%	3.25	3.97	8.31	11.29	7.31

Source: Annual Report, Company Website, Primary and Secondary Research

23.6.3 Financial Ratios - Interim Ratios

Table 285: Marks and Spencer Group plc, Interim Ratios

Key Ratios	Unit/Currency	Sep-2007	Mar-2008	Sep-2008	Mar-2009
Interim EPS (Earnings per Share)	GBP	0.23	0.26	0.14	0.18
Book Value per Share	GBP	1.19	1.23	1.13	1.32
Current Ratio	Absolute	0.54	0.59	0.60	0.60
Asset Turnover	Absolute	0.68	0.68	0.59	0.67
Current Asset Turnover	Absolute	3.85	4.09	3.13	3.48
Working Capital Turnover	Absolute	-4.48	-5.99	-4.71	-5.28

Source: Annual Report, Company Website, Primary and Secondary Research

24 Company Profile: DSG International plc

24.1 DSG International plc Company Overview

DSG International Plc (DSG), through its subsidiaries, is engaged in multi-channel retailing of electrical and computing products. The company offers a wide range of consumer electronics, personal computers, domestic appliances, photographic equipment and communication products. It also offers financial services, including credit facilities, as well as provides after-sales support services, advisory services, access to help lines, repair, or replacement. The company owns and operates over 1,300 stores in Czech Republic, Denmark, Ireland, Finland, France, Greece, Hungary, Iceland, Italy, Norway, Poland, Spain, Sweden, and the United Kingdom.

24.1.1 DSG International plc - Business Description

DSG International Plc (DSG) is an in-store and online specialty retailer. The company is engaged in the multi-channel retailing of electrical and computing products. Its product offerings include innovative technological personal computers, domestic appliances, consumer electronics, photographic equipment, communication products, as well as related financial and post sales services. DSG serves through 1,313 stores across 28 countries under several store banners, namely, Currys, Electro World, Elkjop, Kotsovolos, Partmaster Direct and UniEuro. The company has classified its business operations into four business segments, namely, UK & Ireland, Nordics, Other International and e-commerce.

In the UK & Ireland, the company offers a wide range of electrical and computing products, including digital vision, DVD, home theatre, audio, photographic technology, cooking, laundry, refrigeration, computing, communications, computer hardware products, desktops, and other related products. DSG operates its stores under several banners, namely, Currys, Currys.digital and Dixons Travel in the UK, and Currys and PC World in Ireland. Under Currys and Currys.digital banners, the company offers a wide range of electrical products through its 515 stores located all across the UK and Ireland. It sells products of world class brands, namely, Samsung, LG, Bosch, Acer, Sony and other related brands. Under PC World, DSGi and the TechGuys banners, the company offers a wide range of computing products and services. PC World operates through 161 stores located all across the UK. The TechGuys offers computing services through Currys and PC World stores located all across the UK and Ireland. Through DSGi, the company provides IT solutions, consultancy and products to businesses and the public sector. For the fiscal year ending May 2009, the segment generated revenues of £ 4,228.6, constituting around 50.5% of the company's total revenues.

In Nordics, the company operates through six retail chains across Norway, Sweden, Denmark, Finland and Iceland. The company offers a wide range of products, including white goods, brown goods, consumer electronics, PCs and communications products. The company operates under several banners, namely, Elkjop, Lefdal Lavpris, El Giganten, Gigantti, Markantalo and Elko. Under Elkjop and Lefdal Lavpris banners, the company 97 stores across Norway, with floor space of around 10,000-15,000 sq ft. El Giganten banner operates 53 stores in Sweden, 27 in Denmark and three in the Faroe Islands. In Finland, the company operates 26 superstores under Gigantti banner and 22 stores under Markantalo banner. For the fiscal year ending May 2009, the segment generated revenues of £ 1,762.8, constituting around 21.1% of the company's total revenues.

The company, through other international segment, operates in Italy, Greece, Spain, Turkey and Czech Republic. The company offers its products through several banners, namely, Kotsovolos (Greece), UniEuro (Italy), Electro World (Greece, Czech Republic, Poland and Slovakia) and PC City (Italy and Spain). Through Kotsovolos, DSG offers a wide range of electrical products through its 82 stores located in Greece. UniEuro, the company's electrical retailer in Italy, operates through a chain of 116 stores located in out of town locations and concentrated in the North West and North East of Italy. Under Electro World banner, the company's international's chain of electrical superstores, operates 30 stores across the Czech Republic, Poland, Greece, Turkey and Slovakia. Through PC City, the company offers a wide range of computing products in Spain and Italy. It operates 25 superstores across Spain and nine stores in Italy. For the fiscal year ending May 2009, the segment generated revenues of £ 1,565.8, constituting around 18.7% of the company's total revenues.

DSG, through its E-commerce segment, provides online retail sale of high technology consumer electronics, domestic appliances, photographic equipment and related services. The segment in the UK operates through Dixons.co.uk, the known retailer of consumer electronics. It offers a wide range of products, including camcorders, plasma TVs, DVD players, laptops and other related products. Pixmania.com, a market leading electrical retailer of consumer electronic goods sells its products in France, Italy, Spain and Portugal. Pixmania trades in 26 countries through bespoke transactional websites and offers e-tailer of digital photographic and consumer electronic goods. For the fiscal year ending May 2009, the segment generated revenues of £ 807.4, constituting around 9.7% of the company's total revenues.

24.1.2 DSG International plc - Major Products and Services

DSG is a specialist electrical retailing group engaged in the multi-channel retailing of electrical and computing products. The company's product and services include the following:

Table 286: DSG International plc, Major Products and Services

Products:

Televisions
 DVD players
 Audio products
 MP3 players
 Cameras
 Washing Machines
 Fridges and freezers
 Electric cookers
 Microwaves
 Vacuum cleaners
 Kettles
 Toasters
 Irons
 Desktops
 Laptops
 Printers
 Mobile phones
 Camcorders

Services:

Financial services
 Credit facilities
 After-sales support
 Broadband

Brands:

Currys
 DSG Business Services
 Electro World
 Elkjop
 Kotsovolos
 Partmaster Direct
 UniEuro
 DSG Insurance Services
 PC City
 PC World
 DSGi Business
 The TechGuys

Source: Annual Report, Company Website, Primary and Secondary Research

24.1.3 DSG International plc - History

Table 287: DSG International plc, History

2008	Corporate Changes/Expansions	The company under PC World banner opens flagship store in Liverpool.
2007	Other	In May 2007, DSGi opened Europe's largest electrical distribution centre in Newark, Nottinghamshire.
2007	Other	In October 2007, the Group's Dixons.co.uk launched an online Greenshop, the biggest one-stop-shop of 'green' products availability from any electrical retailer in the UK.
2006	Acquisitions/Mergers/Takeovers	In February 2006, the Group acquired Finnish retailer Markantalo consolidating their position as the number one electrical retailer in Finland as well as 40 percent stake in Danish retailer F-Group was also acquired.
2006	Acquisitions/Mergers/Takeovers	In 2006, the Group acquired major stake in leading pan-European e-tailer Fotovista extending the Group's e-commerce operations into 26 countries with the Pixmania brand.
2005	New Products/Services	In 2005, the Group's PC World launched a Collect @ Store service allowing customers to select a products online and reserve it for collection from their local store.
2005	Contracts/Agreements	In April 2005, the Group signed a long-term co-operation agreement with Eldorado Group, a leading specialist retailer of consumer electronics and domestic appliances in Russia and Ukraine.
2005	Other	In 2005, Dixons Group plc changed its name to DSG international plc reflecting their growing international status.
2004	Acquisitions/Mergers/Takeovers	In 2004, the Group acquired Micro Warehouse, one of the UK's largest and longest established direct resellers of branded IT products and services to business.
2004	Acquisitions/Mergers/Takeovers	In 2004, the Group acquired a controlling stake of the issued share capital of Kotsovolos, the leading electrical retailer in Greece.
2002	Other	In 2002, the Group opened first Electro World store in Budapest, Hungary.
2001	Acquisitions/Mergers/Takeovers	In 2001, the Group's company Elkjop acquired SuperRadio, creating Denmark's leading out of town electrical retailer.
2001	Acquisitions/Mergers/Takeovers	In November 2001, the Group acquired a 24% stake in UniEuro, a leading independent retailer of consumer electronics and domestic appliances in Italy.
2000	Acquisitions/Mergers/Takeovers	In 2000, the company acquired Ei System, the leading specialist PC retailer in Spain and Portugal focusing the growing PC market in these countries.
2000	Other	In 2000, the company strategically formed a partnership with eMachines, a leading supplier of PCs to the US market making the Group the exclusive supplier of eMachine PCs to third party retailers in a number of European countries.
2000	New Products/Services	In 2000, the company commenced Omni Source to focus on the sourcing of own brand and directly sourced products for the Group's European retail market.
1999	Other	In January 1999, the company's retail properties limited was established to manage and develop the Group's retail portfolio.
1998	Other	In 1998, the company's online was given a facelift and new e-commerce sites were launched including PC World Business Direct and PC World Software.
1998	Acquisitions/Mergers/Takeovers	In 1998, the company acquired Byte Computer Superstores Ltd with 16 retail outlets.
1998	Other	In 1998, the Group launched Freeserve, the UK's first fully-featured internet service available free with no registration or subscription fees.
1997	Acquisitions/Mergers/Takeovers	In 1997, the company acquired the retail assets of Harry Moore Ltd, the Ireland based electrical retailer strengthening its presence in Ireland.
1997	Other	In 1997, the company hived off 40% stake in The Link, Dixons to Telecom Securicor Cellular Radio Limited specialist mobile phone and communications retailer.
1996	Other	In 1996, the company became the first to sell the new Advanced Photographic

Table 287: DSG International plc, History

		System cameras.
1996	Acquisitions/Mergers/Takeovers	In 1996, the company acquired DN Computer Services plc (DNCS), the computer reseller business became part of the PC World division.
1995	Other	In 1995, the group introduced the largest electrical superstore in Europe and the fourth Dixons tax-free shop at Terminal 4, Heathrow.
1994	New Products/Services	In 1994, the company introduced the pilot a new shopping format called The Link, offering the latest generation of communication services and products.
1993	Acquisitions/Mergers/Takeovers	In 1993, the Group bought Vision Technology Group Ltd (VTA), operating four PC World Superstores and a group of companies selling mail order PCs, peripherals, software and accessories to companies, educational institutions, and private individuals.
1993	Other	In 1993, the company hived off its VTG's mail order division and focused on the retail side of the business.
1993	Other	In 1993, the company sold off their US Holdings Inc, Silo's parent company to Fretter Inc and retained a 30 percent stake as well as Supasnaps was sold to Sketchley plc.
1989	Other	In 1989, Dixon hived off their film processing division to its management.
1988	Acquisitions/Mergers/Takeovers	In 1988, the company acquired Wigfalls enhancing the Group with 106 shops, trading mainly in the Midlands and north of England.
1987	Acquisitions/Mergers/Takeovers	In 1987, the company celebrated their 50th Anniversary year and acquired Silo, the US's third largest power retailer with 147 stores.
1986	Acquisitions/Mergers/Takeovers	In 1986, the company acquired the Supasnaps chain of 337 specialist photo shops.
1984	Acquisitions/Mergers/Takeovers	In 1984, the company acquired Currys Group adding 613 retail outlets to the Group together with Mastercare, the nationwide electrical appliance service organisation with 41 depots and 900 engineers.
1984	Acquisitions/Mergers/Takeovers	In 1984, Dixon's acquisition with Currys group added Bridgers; a chain of white and brown goods discount stores which formed the basis of today's Currys Superstores.
1984	Acquisitions/Mergers/Takeovers	In 1984, the company's acquisition process continued with a number of similar chains, such as Orbit and Greens.
1982	New Products/Services	In 1982, the company introduced Saisho own brand products presenting an upmarket high technology image spanning audio, TV, and video products.
1974	Other	In 1974, the company commenced Stevenage Distribution Centre on a seven acre site with 163,000 sq ft of floor space, with computerised control and conveyor belt stock handling.
1972	Acquisitions/Mergers/Takeovers	In 1972, the company acquired 15 Wallace Heaton shops in the London area.
1967	Other	In 1967, the company diversified into developing and printing by taking control of an 85,000 sq ft colour processing laboratory in Stevenage as well as introduced Japanese audio and hi-fi units in their range.
1964	Acquisitions/Mergers/Takeovers	In 1964, the company acquired major competitor Bennetts adding retail outlets respectively to the Dixons chain.
1962	Stock Listings/IPO	In 1962, the company got listed on the London Stock Exchange under the name of Dixons Photographic Limited.
1962	Acquisitions/Mergers/Takeovers	In 1962, the company acquired major competitor Ascotts under their rapid expansion of the store portfolio.
1957	Corporate Changes/Expansions	In 1957, Dixon expanded rapidly with their employee force and accommodated in a new premises.
1950	Other	In 1950, the company emerged as the number one photographic dealer in Britain.
1948	Other	In 1948, the company commenced advertising new and second hand photographic products in the trade, local, and national press.
1937	Incorporation/Establishment	In 1937, the company was incorporated as a private company called Dixon Studios Limited.

Source: Annual Report, Company Website, Primary and Secondary Research

24.2 DSG International plc - SWOT Analysis

DSG International Plc (DSG) is engaged in the multi-channel retailing of electrical and computing products. The company's wide network of stores, broad product offerings and diverse range of customers are its strengths. In addition, expansion in other European countries and increasing online opportunities ensure a positive future for the company. However, its weak financial performance, poor performance of the UK and Ireland segment and limited operating margin are hampering its growth. Further, it faces challenges from global economic slowdown, increasing manpower costs and stiff competition.

24.2.1 DSG International plc - Strengths

- **Strength - Wide Network of Stores**

The company operates through 1,313 stores located in around many countries, including Czech Republic, Denmark, Ireland, Finland, France, Greece, Hungary, Iceland, Italy, Norway, Poland, Spain, Sweden, and the UK. The company operates under different store banners, namely, Currys, Electro World, Elkjop, Kotsovolos, Partmaster Direct and UniEuro. Under Currys and Currys.digital banner, the company operates 515 stores located all across the UK and Ireland. Under PC World banner, the company operates through 161 stores located all across the UK. The company operates 97 stores under Elkjop and Lefdal Lavpris banner across Norway. El Giganten banner operates 53 stores in Sweden, 27 in Denmark and three in the Faroe Islands. The company also has its presence in Italy, Greece, Spain, Turkey and Czech Republic. It operates 253 stores in these countries under several banners, namely, Kotsovolos, UniEuro, Electro World and PC City. Wide network of stores helps the company to cater to a large number of customers, thereby achieving higher sales.

- **Strength - Broad Product Offerings**

The company offers a wide range of computing and electrical products through its stores and website. The company sells products, including digital vision, DVD, home theatre, audio, photographic technology, cooking, laundry, refrigeration, computing, communications, computer hardware products, desktops, and other related products. In addition to its products, DSG offers a wide range of services, namely, after sales support services, advisory services, insurance services and other related services. It offers products of many brands, namely, Samsung, LG, Bosch, Acer, Sony and other related brands. Wide range of products enables the company to cater to a diverse range of customers, which helps in generating more revenues, thereby increasing profitability.

- **Strength - Diverse Range of Customers**

DSG, through its stores and website, caters to a wide range of customers throughout the regions of the United Kingdom, Ireland, Nordic, Greece, Spain, Italy, Central and Southern Europe. The company serves a broad customer base, including end users, sub-retailers, and Institutions. The company has undertaken several value repositioning programs, including improvements in its repair services, expansion of product portfolio in Italy and the UK and several others. The company provides an easy, convenient, and appealing shopping experience through a continuous focus on the customer and continues to reach new customers in areas where it can achieve an attractive return. Such strong base of customers and orders will help the company to generate increased revenue and achieve long term growth.

24.2.2 DSG International plc - Weaknesses

- **Weakness - Weak Financial Performance**

The company witnessed a weak financial performance during the fiscal year ending May 2009. For the fiscal year ending May 2009, the company recorded revenues of £ 8364.60 million, a decrease of around 1.5% over the previous fiscal year. The company also witnessed a fall of 9% in its like for like sales. The company also recorded a net loss of £ 219.40 million. Poor performance of the company was due to difficult trading conditions throughout the year as the consumer environment deteriorated. Weak financial performance of the company may hamper the company's growth plans, as the company would be short of funds.

- **Weakness - Poor Performance of the UK and Ireland Segment**

DSG recorded a fall in its revenues from the UK and Ireland segment for the fiscal year ending May 2009. The segment generated revenues of £ 4,228.6 million, a fall of over 11% in comparison to the previous fiscal year. It also recorded 11% fall in its like for like sales. Currys and Currys.digital, the company's store banner experienced difficult trading conditions throughout the year as the consumer environment deteriorated. The UK & Ireland electrical sub segment recorded a fall of 9% its sales, due to the decreasing consumer spending in the country. The sub segment's operating profit also decreased by 428% in comparison to the previous fiscal year.

- **Weakness - Limited Operating Margin**

The company's operating margin was -1.27% for the fiscal year 2009. This was below the S&P 500 companies average* of 14.7%. A lower than S&P 500 companies average* operating margin may indicate inefficient cost management or a weak pricing strategy by the company. However, the company's operating margin has increased 100 bps over 2008 which may indicate that the management has been focusing on profitability.

24.2.3 DSG International plc - Opportunities

- **Opportunity - Increasing Demand for Online Retailing**

Internet retailing is the drive for the company to growth for their non-store retailing. Even though the company has commenced online shopping, it should be enhanced with technological and security protection improvements as well as offering free shipping and more liberal return policies, making internet purchases even more appealing. Currently, the company operates online operations through its two websites, namely, Dixons.co.uk and Pixmania.com. The company can utilize the opportunity to increase their market presence across the globe by expanding its e-commerce operations across Europe. According to a joint report by IMRG and Capgemini, e-retail sales in the UK have grown by 14% compared to April 2008. UK shoppers are spending £10 more online per visit compared to a year ago despite recession. The average online basket size of an average shopper in the UK has grown from £121.69p in April 08 to £131.76p April 09.

- **Opportunity - Expansion in Other Countries**

The company can foster its business expansion throughout the continents with its broad product portfolio including branded products and customer services. Currently, DSG has its business operations located throughout the regions of United Kingdom, Ireland, Nordic, Greece, Spain, Italy, Central and Southern Europe. It can flourish its established network of warehouse distributors and jobbers throughout the nations across the border. During the year, the company expanded its existing business in Turkey and developed its product

support services business in the UK through The TechGuys. The company is also planning to expand its commercial outlets under their store development program by adding new stores within existing market, relocating and remodeling of existing stores, and entering new markets with strategic acquisitions. The company is in a good position to capture the growth trends through its retail segment.

24.2.4 DSG International plc - Threats

- **Threat - Intense Competition**

The company faces intense competition from various players in its business sector and location. Its major competitive factor that affects their business includes store location, product availability, customer service and product offerings, quality, and price. DSG faces competition through both national and regional retail chains of electrical products and solutions stores, including Carphone Warehouse Group PLC, Home Retail Group plc and Travis Perkins PLC, discount stores and mass merchandisers that carry hard discount product stores, wholesalers or jobber stores. Such an intense competition poses a threat to the company's existing market share.

- **Threat - Global Economic Slowdown**

The company faces a major challenge in sustaining its revenue growth due to the global economic slowdown caused mainly due to the global crisis. As a result, the banks have tightened their credit lending process thereby affecting the consumers' shopping activity. Even the market volatility concerns have made them shop only for basic and essential goods, thereby creating a major challenge for the goods manufacturers whose sales have been witnessing a major decline. According to the IMF estimates, the world growth will decline to 0.5% in 2009, caused mainly due to the real economy side effects of the banking crisis of 2008. In addition, the Euro zone growth is expected to be -4.2% in 2009, while other advanced economies would contract by -4.1% in 2009. Thus, the company having its business across the world, global slowdown would adversely affect its operational efficiency.

- **Threat - Increasing Manpower Costs**

Increasing manpower costs may have an adverse affect on the company. With the shortage of talented manpower and increasing government mandated minimum wages, the labor costs in the developing countries also have been witnessing an increase. The company employs around 38,460 people in all locations. The increase in wages and salaries could hamper the company's operating profit, which would directly affect the company's profit margins. In the UK, the government increased the minimum wage rate from £5.73 an hour in October 2008 to £5.80 an hour in May 2009. It is further expected to increase in the next few years.

24.3 DSG International plc – Key Facts

24.3.1 DSG International plc – Key Competitors

The following companies are the major competitors of DSG International plc:

Home Retail Group Plc

Medion AG

Asda Stores Limited

The Carphone Warehouse Group PLC

24.4 DSG International plc - Key Employees

Table 288: DSG International plc, Key Employees

Name	Job Title	Board Level	Since	Age
John Collins	Chairman	Executive Board	2002	67
John Browett	Chief Executive Officer, Director	Executive Board	2007	45
Nicholas Cadbury	Director, Group Finance	Executive Board	2008	
Count Emmanuel d Andre	Director	Non Executive Board	2002	72
Rita Clifton	Director	Non Executive Board	2003	50
Andrew Lynch	Director	Non Executive Board	2003	52
John Whybrow	Director	Non Executive Board	2003	62
John Allan	Director	Non Executive Board	2009	
Steve Ager	Commerical Director	Senior Management	2008	
Katie Bickerstaffe	Group Director-Marketing & People Development	Senior Management	2008	
Ronny Blomseth	Managing Director, Nordics	Senior Management	2009	
Fernando de Vicente	Managing Director, International	Senior Management		
Helen Grantham	General Counsel, Company Secretary	Senior Management	2007	
Sebastian James	Director, Services	Senior Management	2009	
Keith Jones	Group Retail Director	Senior Management	2009	
Andrew Milliken	Transformation Director	Senior Management	2009	
Jean-Emile Rosenblum	Managing Director, Internet	Senior Management	2009	
Steve Rosenblum	Internet Managing Director	Senior Management	2009	

Source: Annual Report, Company Website, Primary and Secondary Research

Table 289: DSG International plc, Key Employee Biographies

<p>John Collins Job Title: Chairman Board Level: Executive Board Since: 2002 Age: 67</p>	<p>John Collins has been the chairman of the company since 2002. He joined the company as the deputy chairman of the board in 2001. Prior to this, he was with Vestey Group as the chief executive officer. Mr. Collins also holds senior positions as the chairman of the advisory committee on business and the environment and for the DTI's energy advisory panel and the DTI/DEFRA's sustainable energy policy advisory board. He also serves as the president of the Energy Institute and as a Governor of Wellington College.</p>
<p>John Browett Job Title: Chief Executive Officer, Director Board Level: Executive Board Since: 2007 Age: 45</p>	<p>John Browett has been the chief executive officer and a director of the company since 2007. Prior to this, he served as the operations development director for Tesco. He also held senior position for Tesco.com as the chief executive officer. Before serving Tesco, he served as the group strategy director at Boston Consulting Group.</p>
<p>Source: Annual Report, Company Website, Primary and Secondary Research</p>	

24.4.1 DSG International plc - Locations And Subsidiaries

Head Office

DSG International plc
Maylands Avenue
Hemel Hempstead
ENG
ZIP: HP2 7TG
United Kingdom
Tel: +44 0870 8503333

Other Locations & Subsidiaries

Table 290: DSG International plc, Subsidiaries

DSG Financial Services Ltd
Camelot House
Bredbury Park Way
Stockport
Zip: +K6 2SN
United Kingdom
Tel: +870 44 22 22 7

Source: Annual Report, Company Website, Primary and Secondary Research

24.5 DSG International plc - Financial Ratios

24.5.1 Financial Ratios - Capital Market Ratios

Table 291: DSG International plc, Ratios based on current share price

Key Ratios	16-Sep-2009
Enterprise Value/Sales	0.17
Enterprise Value/Total Assets	0.40

Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers
Source: Annual Report, Company Website, Primary and Secondary Research

24.5.2 Financial Ratios - Annual Ratios

Table 292: DSG International plc, Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	0.09	0.08	0.02	-0.11	-0.09
Dividend per Share	GBP	0.05	0.06	0.07	0.04	
Dividend Cover	Absolute	1.99	1.35	0.24	-2.86	
Book Value per Share	GBP	0.55	0.57	0.51	0.34	0.23
Cash Value per Share	GBP	0.27	0.25	0.18		
Profitability Ratios						
Gross Margin	%	4.34	8.67	8.13		
Operating Margin	%	4.11	3.67	1.30	-2.27	-1.27
Net Profit Margin	%	3.44	3.09	0.06	-3.07	-2.62
Profit Mark up	%	4.53	9.49	8.85		
PBT Margin (Profit Before Tax)	%	4.76	4.24	1.44	-2.17	-1.68
Return on Equity	%	17.07	15.26	0.39	-31.55	-39.26
Return on Capital Employed	%	11.61	10.82	4.89	-11.09	-6.60
Return on Assets	%	5.86	5.24	0.13	-6.76	-6.00
Return on Fixed Assets	%	15.06	12.67	5.40	-10.62	-5.39
Return on Working Capital	%	50.63	74.42	52.20		
Cost Ratios						
Operating Costs (% of Sales)	%	95.89	96.33	98.70	102.27	101.27
Administration Costs (% of Sales)	%		5.23	6.96		
Liquidity Ratios						
Current Ratio	Absolute	1.35	1.20	1.11	0.96	0.82
Quick Ratio	Absolute	0.85	0.70	0.55	0.45	0.35
Cash Ratio	Absolute	0.62	0.49	0.34	0.21	0.10
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.37	0.32	0.32	0.57	1.28
Debt to Capital Ratio	Absolute	0.21	0.19	0.20	0.27	0.45
Efficiency Ratios						
Asset Turnover	Absolute	1.70	1.70	1.99	2.20	2.29
Fixed Asset Turnover	Absolute	11.63	10.89	13.66	15.98	17.08
Inventory Turnover	Absolute	8.23	7.30	7.07		
Current Asset Turnover	Absolute	3.18	3.34	3.84	4.16	4.95
Capital Employed Turnover	Absolute	4.96	4.94	6.19	10.27	14.97
Working Capital Turnover	Absolute	12.32	20.26	40.15		
Capex to Sales	%	2.42	2.81	2.11	2.04	1.70
Source: Annual Report, Company Website, Primary and Secondary Research						

24.5.3 Financial Ratios - Interim Ratios

Table 293: DSG International plc, Interim Ratios

Key Ratios	Unit/Currency	Oct-2007	May-2008	Oct-2008	May-2009
Interim EPS (Earnings per Share)	GBP	0.01	-0.12	0.02	-0.09
Book Value per Share	GBP	0.50	0.34	0.28	0.23
Current Ratio	Absolute	0.98	0.96	0.91	0.82
Asset Turnover	Absolute	0.82	1.34	0.92	2.29
Current Asset Turnover	Absolute	1.59	2.53	1.72	4.95
Working Capital Turnover	Absolute	-73.27	-66.69	-17.68	-23.09

Source: Annual Report, Company Website, Primary and Secondary Research

25 Kingfisher plc

25.1 Kingfisher plc Company Overview

Kingfisher Plc (Kingfisher) is a retailer of home improvement products. The product line of the company includes tiles, bathroom accessories, kitchen accessories, furniture, kitchen and house wooden cabinets, loft insulation, various wallpapers, woodscrews, electric accessories, skirting boards and basin mixers. The brands offered by the company include B&Q, Castorama, Brico Depot, Screwfix direct, Koctas, and Hornbach. It sells its merchandise through its wholly owned retail stores and website. The company, along with its subsidiaries, primarily operates in UK, France, Poland, China, Ireland, Spain, Russia and Turkey. It is headquartered at London, United Kingdom.

25.1.1 Kingfisher Plc - Business Description

Kingfisher Plc (Kingfisher) is a UK based company, which is engaged in selling home improvement and related products across 8 countries located in Asia and Europe. Its store network includes 840 home improvement retail stores in UK, France, Poland, China, Ireland, Spain, Russia and Turkey. It operates its business under one reportable business segment - retail.

The company, through the retail business segment, is engaged in operating a network of 840 retail stores. These stores operate under the company's main retail brands including B&Q, Castorama, Brico Depot, Screwfix and Koctas. B&Q operates 402 Do-it-yourself (DIY) stores in UK, China and Ireland. This represents 332 stores in UK, 9 stores in Ireland and 62 stores in China respectively. These stores are large and medium format stores selling a wide assortment of up to 45,000 home improvement and garden products. The company is a market leader in China and the UK, through this brand. Castorama comprises of a chain of DIY stores selling a broad spectrum of DIY, home improvement, lawn and garden products. This represents 100 stores in France, 8 stores in Russia and 46 stores in Poland respectively. Brico Depot brand of stores includes 98 and 16 DIY stores in France and Germany respectively. These stores sell a low priced stock of home improvement and DIY products to varied customers. The company, through the Screwfix brand, operates 145 home improvement stores across UK selling trade tools, accessories and hardware products. Kingfisher also sells these products online. Koctas is a leading banner in Turkey. It operates a chain of home improvement retail stores in joint venture with Kingfisher across Turkey. Its stores carry a wide product portfolio including electronics items, electrical products, home improvement products and related accessories. The company also has a 21% strategic stake in Hornbach, a leading German DIY retailer.

The company operates in three geographical segments including the UK, France and other international. The other international geographical segment comprises of Poland, China, Ireland, Spain, Russia, the joint venture Koctas, in Turkey and the associate Hornbach, which has operations in Germany and other European countries. The UK, France and other international segments contributed 42.7%, 38.8% and 18.5% of the total revenues respectively.

In January 2009, the company sold of its Castorama Italy business to Leroy Merlin, a leading home improvement and DIY retailer in Italy.

25.1.2 Kingfisher Plc - Major Products and Services

Kingfisher plc is one of the leading companies in the home improvement retailing industry. The key products, brands and services of the company are following:

Table 294: Kingfisher Plc, Major Products and Services

Products:

Home Improvement products

Tiles

Bathroom Accessories

Kitchen Accessories

Furniture

Kitchen

House Wooden Cabinets

Loft Insulation

Various Wallpapers

Woodscrews

Electric Accessories

Skirting Boards

Basin Mixers

Services:

Decorative and installation services

Home delivery services

Brands:

B&Q

Castorama

Brico Depot

Screwfix

Koctas

Trade Depot

Hornbach

Source: Annual Report, Company Website, Primary and Secondary Research

25.1.3 Kingfisher Plc - History

Table 295: Kingfisher Plc, History

2008	Contracts/Agreements	In 2008, the company entered into an agreement to sell its 50% joint venture stake in B&Q Taiwan to its joint venture partner, Test Rite International.
2007	Corporate Changes/Expansions	The company expanded its presence in Asia with the opening of the first B&Q store in Hong Kong in 2007.
2006	New Products/Services	In 2006, the company launched solar panels and wind turbines.
2005	Acquisitions/Mergers/Takeovers	In 2005, B&Q China entered into an agreement to buy OBI Asia Holding Ltd.
2004	Contracts/Agreements	In 2004, B&Q entered a four-year partnership with the British Olympic Association.
2003	Acquisitions/Mergers/Takeovers	In 2003, the company sold Reno Depot, non-core NOMI business in Poland and Dubois Materiaux.
2003	Other	In 2003, Kesa Electricals plc was demerged from Kingfisher plc.
2002	Acquisitions/Mergers/Takeovers	In 2002, the company acquired minority shareholding in Castorama Dubois Investissements SCA.
2001	Other	In 2001, Kingfisher and Hornbach formed strategic alliance.
2001	Acquisitions/Mergers/Takeovers	In 2001, General Merchandise business was demerged from Kingfisher plc to create two separately listed companies – Kingfisher plc and Woolworths Group plc.
2001	Other	In 2001, the company sold Superdrug to Kruidvat Beheer BV and also sold its shares in LibertySurf Group SA to Tiscali.
2001	Acquisitions/Mergers/Takeovers	In 2001, the company acquired Yagma AG.
2001	Other	In 2001, the company disposed Electric City (Singapore) Pte Ltd
2000	Acquisitions/Mergers/Takeovers	During the year 2000, the company acquired minority interests in on-line health and beauty retailer Think Natural, on-line home improvement referral service Improveline.com, acquired 60% majority share in Datart, acquired Hugo Van Praag, the Belgian electrical retailer.
2000	Contracts/Agreements	In 2000, a joint venture was formed between B&Q International and KOÇ Group in Turkey.
1999	Acquisitions/Mergers/Takeovers	In 1999, the company acquired 55% shares in Tangens GmbH.
1999	Acquisitions/Mergers/Takeovers	In 1999, B&Q acquired Screwfix Direct Ltd, an e-commerce and catalogue company.
1998	Acquisitions/Mergers/Takeovers	In 1998, France's leading home improvement retailer Castorama Group merged with B&Q plc.
1998	Acquisitions/Mergers/Takeovers	The company acquired the music publisher VCI plc and Electric City (Singapore) Pte Limited in 1998.
1997	Acquisitions/Mergers/Takeovers	In 1997, the company acquired Dutch electrical retailer, BCC and sold Staples UK and Maxi-Papier.
1996	Acquisitions/Mergers/Takeovers	In 1996, the company acquired Norweb Retail through Comet Group and 26% minority interest in French electrical and furniture retail chain, BUT SA.
1995	Acquisitions/Mergers/Takeovers	In 1995, the company acquired the outstanding shareholding in Time Retail Finance, sold Charlie Browns. Darty Group acquired the remaining 51% of Belgian electrical retailer, New Vanden Borre.
1993	Acquisitions/Mergers/Takeovers	In 1993, the company acquired one of the leading French electrical retailer, Darty and also 33% stake in German office superstore, Maxi-Papier.
1992	Contracts/Agreements	In 1992, the company entered into a joint venture with US superstore Staples Inc to form Staples UK.
1990	Acquisitions/Mergers/Takeovers	In 1990, the Chartwell Land acquired Rosehaugh Heritage and the new company was renamed as Chartwell Heritage.
1989	Acquisitions/Mergers/Takeovers	In 1989, Woolworth Holdings became Kingfisher plc.

Table 295: Kingfisher Plc, History

1989	Acquisitions/Mergers/Takeovers	In 1989, the company acquired Medicare and integrated it into Superdrug.
1989	New Products/Services	In 1989, the company launched Timecard.
1988	Corporate Changes/Expansions	In 1988, the company acquired Tip Top and Sharedrug.
1988	Other	In 1988, the name of Woolworths Properties was changed to Chartwell Land.
1987	Acquisitions/Mergers/Takeovers	In 1987, the company acquired the health and beauty retailer, Superdrug. The company also acquired Charlie Browns in the same year.
1986	Acquisitions/Mergers/Takeovers	In 1986, the company acquired Record Merchandisers. It was later renamed Entertainment UK.
1984	Acquisitions/Mergers/Takeovers	In 1984, Woolworth Holdings bought the Britain's first out-of-town electrical retailer, Comet.
1983	Corporate Changes/Expansions	In 1983, Woolworth Holdings was established as the parent company for Woolworths, B&Q and Woolworths Properties as separate companies.
1982	Incorporation/Establishment	In 1982, the Paternoster Stores Ltd took over FW Woolworth

Source: Annual Report, Company Website, Primary and Secondary Research

25.2 Kingfisher Plc - SWOT Analysis

Kingfisher is engaged in the retailing of home improvement products. It operates in the UK, France, China, Poland, Italy, Turkey and Russia. Product and service innovation, dominant market position and strong financial performance are its strengths. The company's potential can, however, be limited by its overdependence on the UK market and increasing operating cost. Kingfisher's future growth may also be hindered due to intense competition, increasing manpower costs in the UK and slowdown in China. It does, on the other hand, have opportunities to expand in the emerging markets and also benefit from growing e-retail.

25.2.1 Kingfisher Plc - Strengths

- **Strength - Product and Services Innovation**

The company's product innovation not only enables it to attract new customers, but also helps it to retain the existing ones. It also helps the company to gain a strong foothold in the home improvement market as it brings out new products and services based on the customer's preferences. This also augments the company's strong brand image in the minds of its customers. In 2008, the company brought out new products, which are eco friendly. In 2009, the company sold new innovative products including a new range of tiles, paints, user friendly toilets, newer ranges of wallpapers, energy saving multi-sockets and new types of basin mixers in the markets of China, UK and France. It also introduced new services, such as self check-outs in B&Q stores, to make shopping in its stores more convenient.

- **Strength - Dominant Market Position**

Kingfisher is the third largest home improvement retail group in the world. It has market leadership positions in several of the countries, where it operates. It is the market leader in the UK, France, Poland, Turkey, and China. The company has 422 stores in the UK, of these B&Q has 323 stores and Screwfix has 93 stores. The leading market brand Castorama has 98 stores in France and Brico Depot has 89 stores totaling 187. The company enjoys a market leadership position in Poland with 40 Castorama stores. The company is increasing

the number of stores by opening new stores in potential markets. This dominant market position not only benefits the company with higher bargaining power with suppliers, but also attracts more customers.

- **Strength - Strong Financial Performance**

The strong financial performance of the company enables it to maintain its trajectory of growth. It enables the company to have sufficient retained earnings which are needed for its future growth. Kingfisher's revenues grew at a CAGR of 5.6% from 2005 through 2009. In the fiscal year ended 2009, the company registered an increase of 10.8% in revenues as compared to last year's revenues. Its gross profit also witnessed a consistent growth of a CAGR of 4.2% from 2005 through 2009. This indicates the strong financial performance of the company.

25.2.2 Kingfisher Plc - Weaknesses

- **Weakness - Increasing Operating Cost**

Increasing operational costs may have an adverse effect on the company's profitability. This indicates that the company's cost management and pricing strategy is weakening. The company witnessed a consistent growth in its operational costs over the years from 2004 through 2008. The operating expenses of the company grew at a CAGR of 7.2% from 2005 through 2009. Selling, general and administrative expenses also increased at a CAGR of 7.8% over the years from 2005 through 2009.

- **Weakness - High Dependence on the UK**

The company's overdependence on the UK makes it highly vulnerable to the risk associated with the country. Its business may be adversely affected due to adverse environmental, political or economic factors affecting the country. The company operates 460 retail stores out of its total stores network of 820 stores, only in UK. It also generates nearly half of its revenues only from the UK region. In the fiscal year ended 2008, Kingfisher generated 42.7% of the revenues from UK.

- **Weakness - Low Return on Equity**

The company's return on equity (ROE) was 4.4% at the end of the fiscal year 2009. This was below the S&P 500 companies average* of 12.9%. A lower than sector average* ROE may indicate that the company may not be using the shareholders' money as efficiently as other companies in the sector and that it is generating low returns for its shareholders compared to other companies in the sector.

25.2.3 Kingfisher Plc - Opportunities

- **Opportunity - Growth in e-retail**

The company stands to benefit from the growth trend of e-retail, which is supported by rising internet penetration and increasing familiarity to online shopping. The company sells its products through its e-commerce arm namely, www.diy.com and www.bricodepot.com. Now, more and more customers prefer to shop online and place their orders through credit cards, thereby avoiding the time consuming journey and billing queues. According to a joint report by IMRG and Capgemini, e-retail sales in the UK grew by 14% in April 2009 compared to April 2008. UK shoppers are spending £10 more online per visit compared to a year ago despite the recession. The average online basket size of an average shopper in the UK has grown from £121.69 in April 08 to £131.76 April 09.

- **Opportunity - Emerging Markets Providing Ladder for Growth**

The company has an opportunity to expand its operations into emerging markets and benefit from increasing disposable incomes in these markets. According to the IMF, in 2008, emerging and developing economies recorded a GDP growth rate of 6.3%; but, advanced economies contracted by 1.0%. While the emerging markets are estimated to grow by 3.3% in 2009, most of the advanced economies are estimated to show a negative growth. Additionally, factors like growing affluence, increasing brand-consciousness and low penetration of organized retailers in these countries make them attractive destinations for global retailers. According to A.T. Kearney's Global Retail Development Index, India is the most attractive emerging market followed by Russia, China and United Arab Emirates.

- **Opportunity - Growth in Home Improvement Industry Globally**

The company stands to benefit from the growth trends of the home improvement industry globally. According to TheHomeMag, a home improvement publication, nearly 25 million household owners undertake some type of home improvement project across Europe every year. Furthermore, television lifestyle shows centered on luxury amenities are also inspiring homeowners to invest in upgrading their living environment. It is projected that sales of home improvement products will grow at a rate of 6% annually from 2009 onwards reaching up to \$381 billion globally in 2012. Thus, it presents a strong opportunity to the company for its future growth.

25.2.4 Kingfisher Plc - Threats

- **Threat - Highly Competitive Market**

The company operates in a highly competitive market for home improvement products and services. There are numerous large and small, direct and indirect competitors including Focus (DIY) Ltd., GUS plc, Homebase Limited, Lowe's Companies, Inc., Metro AG, Tesco PLC and Wolseley plc. The key competitive factors in this industry include location of stores, price and quality of merchandise, in-stock consistency, merchandise assortment and presentation and customer service. Failure to respond effectively to competitive pressures and changes in the retail markets could affect the company's financial performance, therefore, if the company fails to execute the merchandising, marketing and distribution strategies effectively, its sales may be adversely affected.

- **Threat - Slowdown in China**

The company's business performance may be affected by a slowdown in the Chinese economy. According to the IMF latest report of 2009, the Chinese economy is slowing down on account of a financial global meltdown. GDP growth rate in 2008 has reduced to 9.0% from 13.0% a year ago. It is further predicted that, GDP growth rate will decrease up to 6.5% in 2009 and expected to grow anemically in 2010. Furthermore, according to the Wall Street Journal's latest report on the Chinese economy, China is facing a major decline in domestic consumption and its exports falling by 2.2% in 2008. Imports fell by 17.9% in 2008 as compared to last year's figures. In the first few years of the company's operation in China, it expanded rapidly. But, this slowdown in the Chinese economy may hamper the company's future business growth and expansion plans in this region.

- **Threat - Rising Manpower Costs in the UK**

Increasing manpower costs may have an adverse affect on the retailers, such as the company. With the shortage of talented manpower and increasing government mandated minimum wages, the labor costs in the developing countries have also been witnessing an increase. A significant portion of the workforce, in the retail

sector, falls under the purview of minimum wages. In the UK, the government increased the minimum wage rate from £5.52 per hour in October 2007 to £5.73 an hour in October 2008. It is further expected to increase in the next few years. With an employee base of 26,131 persons in UK, the company may be affected by the increased wage bill.

25.3 Kingfisher Plc - Key Facts

25.3.1 Kingfisher Plc - Key Competitors

The following companies are the major competitors of Kingfisher Plc:

Focus (DIY) Ltd.

GUS plc

Homebase Limited

Lowe's Companies, Inc.

Metro AG

Tesco PLC

Wolseley plc

25.3.2 Kingfisher Plc - Key Employees

Table 296: Kingfisher Plc, Key Employees

Name	Job Title	Board Level	Since	Age
Ian Cheshire	Chief Executive Officer, Director	Executive Board	2008	48
Duncan Tatton-Brown	Director, Group Finance Director	Executive Board	2004	43
Peter Jackson	Chairman	Non Executive Board	2006	61
Daniel Bernard	Director, Deputy Chairman	Non Executive Board	2006	62
John Nelson	Senior Independent Non-Executive Director	Non Executive Board	2002	60
Phil Bentley	Director	Non Executive Board	2002	49
Michael Hepher	Director	Non Executive Board	1997	64
Janis Kong	Director	Non Executive Board	2006	57
Hartmut Kramer	Director	Non Executive Board	2002	61

Source: Annual Report, Company Website, Primary and Secondary Research

Table 297: Kingfisher Plc, Key Employee Biographies

Ian Cheshire
 Job Title: Chief Executive Officer, Director
 Board Level: Executive Board
 Since: 2008
 Age: 48

Ian Cheshire has been the group chief executive officer and a director of the company since 2008. He has been serving as an executive director of the company since 2000. Before joining the company, he worked for a number of retail businesses including Sears plc, where he was the group's commercial director. Currently, he is also a non-executive director of Bradford & Bingley plc.

Peter Jackson
 Job Title: Chairman
 Board Level: Non Executive Board
 Since: 2006
 Age: 61

Peter Jackson has been the chairman of the company since 2006. He joined the board as a non executive director in 2006. Previously, he served as the chief executive officer of Associated British Foods plc (ABF) from 1999 through 2005. He joined the Board of Associated British Foods plc (ABF) in 1992. He is also the senior independent director of Smiths Group, the international engineering group.

Source: Annual Report, Company Website, Primary and Secondary Research

25.4 Kingfisher Plc - Locations And Subsidiaries

Head Office

Kingfisher Plc

3 Sheldon Square

Paddington

London

ENG

ZIP: W2 6PX

United Kingdom

Tel: +44 20 73728008

Fax: +44 20 76441001

25.5 Kingfisher Plc - Financial Ratios

25.5.1 Financial Ratios - Capital Market Ratios

Table 298: Kingfisher Plc, Ratios based on current share price

Key Ratios	16-Sep-2009
P/E (Price/Earnings) Ratio	969.34
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	80.85
Enterprise Value/Sales	0.73
Enterprise Value/Operating Profit	42.06
Enterprise Value/Total Assets	0.71
Dividend Yield	0.03

Note: Above ratios are based on share price as of 16-Sep-2009, the above ratios are absolute numbers
 Source: Annual Report, Company Website, Primary and Secondary Research

25.5.2 Financial Ratios - Annual Ratios

Table 299: Kingfisher Plc, Annual Ratios

Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	GBP	0.19	0.06	0.14	0.11	
Dividend per Share	GBP	0.11	0.11	0.11	0.07	0.05
Dividend Cover	Absolute	1.80	0.56	1.35	1.49	0.04
Book Value per Share	GBP	1.87	1.83	1.87	2.00	2.03
Profitability Ratios						
Gross Margin	%	37.44	35.52	35.18	34.75	35.13
Operating Margin	%	8.84	3.36	5.77	4.73	1.73
Net Profit Margin	%	5.83	1.74	3.88	3.03	2.08
Profit Mark up	%	59.84	55.08	54.27	53.26	54.15
PBT Margin (Profit Before Tax)	%	8.47	2.89	5.19	4.04	0.90
Return on Equity	%	10.17	3.24	7.63	5.81	4.37
Return on Capital Employed	%	11.80	4.39	7.99	6.27	2.41
Return on Assets	%	5.77	1.67	3.91	2.91	2.04
Return on Fixed Assets	%	11.69	4.36	8.16	6.33	2.61
Return on Working Capital	%			382.44	648.49	32.46
Cost Ratios						
Operating Costs (% of Sales)	%	91.16	96.64	94.23	95.27	98.27
Administration Costs (% of Sales)	%	28.82	30.24	30.44	30.52	31.12
Liquidity Ratios						
Current Ratio	Absolute	0.97	0.98	1.06	1.03	1.17
Quick Ratio	Absolute	0.31	0.37	0.40	0.30	0.59
Cash Ratio	Absolute	0.08	0.11	0.18	0.09	0.41
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.23	0.37	0.39	0.40	0.50
Debt to Capital Ratio	Absolute	0.18	0.26	0.27	0.27	0.34
Efficiency Ratios						
Asset Turnover	Absolute	0.99	0.96	1.01	0.96	0.98
Fixed Asset Turnover	Absolute	2.52	2.45	2.70	2.45	2.71
Inventory Turnover	Absolute	3.63	3.81	3.67	3.15	3.63
Current Asset Turnover	Absolute	3.93	3.67	3.51	3.43	2.79
Capital Employed Turnover	Absolute	1.74	1.86	1.97	1.92	2.10
Working Capital Turnover	Absolute			66.23	137.12	18.81
Revenue per Employee	GBP					148,038
Net Income per Employee	GBP					3,086
Capex to Sales	%	5.40	6.33	5.38	5.67	3.89

Source: Annual Report, Company Website, Primary and Secondary Research

25.5.3 Financial Ratios - Interim Ratios

Table 300: Kingfisher Plc, Interim Ratios

Key Ratios	Unit/Currency	Aug-2007	Feb-2008	Aug-2008	Jan-2009
Interim EPS (Earnings per Share)	GBP	0.06	0.04	0.06	-0.06
Book Value per Share	GBP	1.89	2.00	2.08	2.03
Current Ratio	Absolute	0.98	1.03	0.99	1.17
Asset Turnover	Absolute	0.51	0.47	0.52	0.48
Current Asset Turnover	Absolute	1.72	1.68	1.86	1.36
Working Capital Turnover	Absolute	-82.43	67.18	-342.00	9.19
Source: Annual Report, Company Website, Primary and Secondary Research					

26 Deal Analysis

26.1 Deal benchmarks

WMI tracked 13 major completed deals in the UK retail industry up to the end of September 2009, compared to 22 in 2008. The peak year for tracked UK retail deals was 2006, when 29 deals were tracked.

Table 301: UK Retail Industry Completed Deal Numbers, By Deal Type, 2005-2009YTD					
Deal Type	2005	2006	2007	2008	2009
Acquisition	10	16	18	11	6
Asset Transactions	6	6	3	8	6
Debt Offerings		1	2	1	1
Equity Offerings	2	3		1	
Partnerships			1		
Private Equity	3	3	2	1	
Overall	21	29	26	22	13

Source: World Market Intelligence analysis © World Market Intelligence

The value of major completed acquisitions tracked by WMI up to the end of September 2009 was US\$3.0bn. This is comparable to the US\$4.0bn figure for 2008, but much lower than the US\$6.9bn tracked for 2007.

Table 302: UK Retail Industry Completed Deal Value (US\$ m), By Deal Type, 2005-2009YTD					
	2005	2006	2007	2008	2009
Acquisition	2,453	494	4,581	2,314	2,338
Asset Transactions	406	1,493	144	1,456	273
Debt Offerings		8	800	1	404
Equity Offerings	28	1,473		1	
Partnerships			3		
Private Equity	449	961	1,414	187	
Overall	3,336	4,429	6,942	3,959	3,015

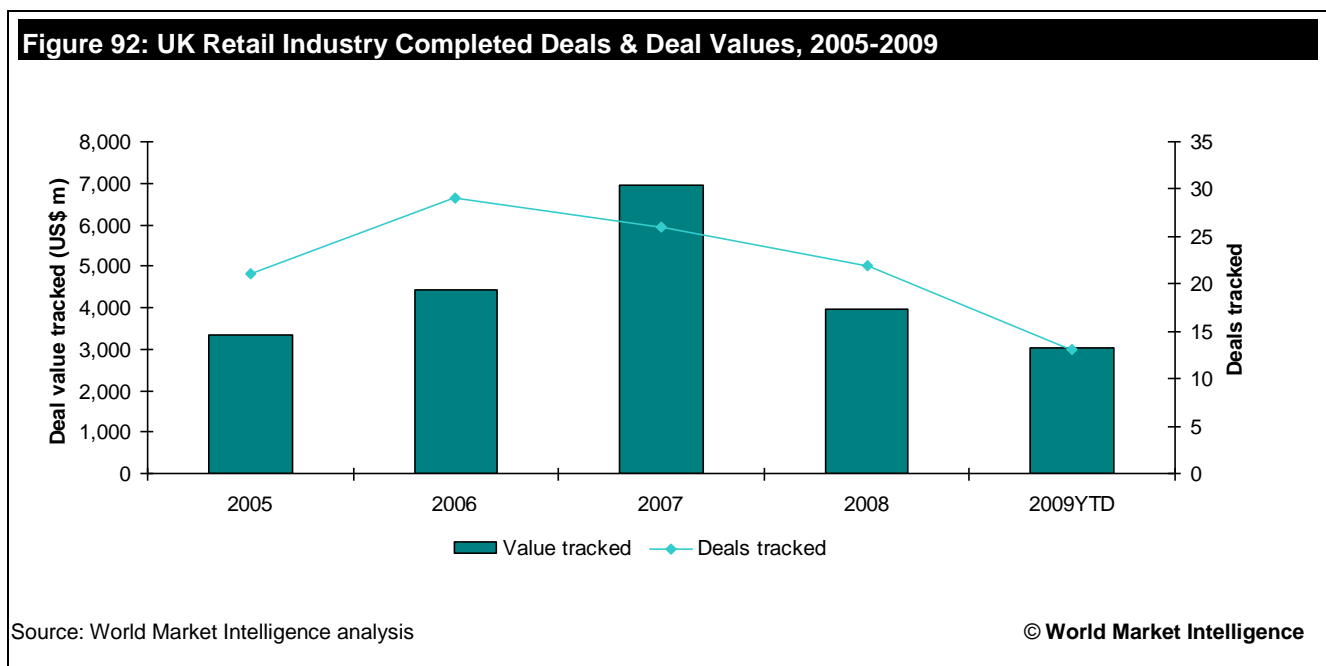
Source: World Market Intelligence analysis © World Market Intelligence

The average value per completed deal tracked in 2009 was US\$232m. This compared to US\$180m for the average deal tracked in 2008 and US\$267m for the average deal tracked in 2007.

Table 303: UK Retail Industry Average Value Per Completed Deal (US\$ m), By Deal Type, 2005-2009YTD

	2005	2006	2007	2008	2009
Acquisition	245	31	255	210	390
Asset Transactions	68	249	48	182	46
Debt Offerings		8	400	1	404
Equity Offerings	14	491		1	
Partnerships			3		
Private Equity	150	320	707	187	
Overall	159	153	267	180	232

Source: World Market Intelligence analysis © World Market Intelligence



As of September 2009, the status of major deals initially announced in 2009 was as follows:

Table 304: UK Retail Industry Current Deal Status, 2009YTD			
	Value	Deals	Value/deal
Announced	3,802	7	543
Completed	3,015	13	232
Planned	1,271	4	318
Pricing	525	1	525
Rumor	1724	2	862
Terminated	16,700	1	16,700
Source: World Market Intelligence analysis		© World Market Intelligence	

26.2 Key recent deals

These are the most important completed financial transactions in the UK retail market tracked by WMI:

Table 305: UK Retail Key Completed Transactions, 2007-2009, By Date

Date	Target	Acquirer	Deal Value(\$m)
16/09/2009	MBM Business Systems Limited	SnackTime Plc	2.6
11/09/2009	7Digital Limited	HMV Group plc	13.0
31/03/2009	Debenhams plc	HSBC Bank Plc	74.1
30/03/2009	Keep Able Retail	DHAIS Plc	0.3
06/03/2009	Vinotheque Holdings Limited,WBI Holdco Limited	Majestic Wine plc	8.1
02/03/2009	Somerfield Stores Limited	The Co-operative Group Limited	2,240.0
25/11/2008	JJB Sports plc	JD Sports Fashion PLC	12.3
20/10/2008	JJB Sports plc	Sports Direct International plc	5.9
02/10/2008	Lipsy Ltd.	Next Group plc	31.0
07/07/2008	Revauc Limited	Solobee Limited	1.0
20/06/2008	GRI Group Limited	Jones Apparel Group, Inc.	20.2
03/06/2008	Accord Office Supplies Ltd.	Office2Office PLC	11.8
21/05/2008	World Duty Free Europe Limited	Autogrill SpA	1,070.8
11/04/2008	Nicholas Deakins Ltd.	JD Sports Fashion PLC	2.6
03/03/2008	Umbro Ltd.	Nike, Inc.	576.4
24/02/2008	Kurt Geiger Ltd.	Graphite Capital Management LLP	186.9
05/02/2008	Style Holdings PLC	Hamsard 3032 Ltd.	2.0
10/01/2008	Joseph Metcalf Ltd.	William Sinclair Holdings plc	580.3
18/12/2007	The Original Shoe Company	JJB Sports plc	10.1
07/12/2007	Bank Stores Holdings Ltd.	JD Sports Fashion PLC	37.6
30/11/2007	Bond Hamill Ltd.	GNE Group plc	17.4
07/11/2007	Topgrade Sportswear Limited	JD Sports Fashion PLC	2.5
15/08/2007	Peter Black International Ltd.	Li & Fung Limited	96.6
24/07/2007	Freeland Horticulture Ltd.	William Sinclair Holdings plc	2.0
17/07/2007	Herbert Brown & Son Ltd	Albemarle & Bond Holdings PLC	60.9
11/06/2007	Alpha Airports Group Plc	Autogrill SpA	225.5
04/06/2007	Inchcape Automotive Limited	Camden Ventures Limited	37.3
02/05/2007	Chelsea Stores Group	Mothercare UK Limited	168.6
02/05/2007	Gamestation Ltd.	Game Group PLC	147.9
23/03/2007	Fat Face Ltd.	Bridgepoint Capital Limited	707.1
07/03/2007	Home Farm Hampers Limited	Park Group plc	0.6
26/02/2007	The Cotswold Company Ltd.	Findel plc	0.2
16/02/2007	Salon Services Ltd.	Sally Beauty Holdings, Inc.	58.8
03/02/2007	Kwik Save Group PLC	Howard Holdings PLC	394.2
29/01/2007	European Motor Holdings plc	Inchcape Plc	515.9
25/01/2007	Sutton Publishing	NPI Media	5.9

Source: World Market Intelligence analysis

© World Market Intelligence

27 Appendix

27.1 About World Market Intelligence

World Market Intelligence is a premium information and marketing solution company focused on providing high quality information and software solutions to drive business success. Our business spans three main areas:

Research Reports

World Market Intelligence publishes in-depth strategic intelligence reports across many key industries. Our reports draw on in-depth primary and secondary research, proprietary databases and high quality analysis from our expert teams. Data and analysis at the company, country and industry level includes competitor and market data, valuations, trends and forecasts.

For more information on our retail research reports, please visit www.worldmarketintelligence.com

Premium Information Services

Our Premium Information Services are unique, interactive desktop decision tools for executives & analysts in a range of functions and industries. Subscribers receive access to comprehensive business planning tools, databases, opinion and research reports integrated with innovative desktop and email tools for easy search, browse and data access. We also provide custom research and consulting solutions.

For our premium subscription Retail eTrack product, please visit www.retailtrack.com

Media & Marketing Solutions

Our media brands have a history of providing market-leading information products and services that dates back over 130 years. Through our multiplatform media networks we have relationships with hundreds of thousands of industry participants, enabling us to offer powerful and comprehensive marketing solutions to our clients.

For our retail media and marketing sites, please visit www.worldretailindustrynetwork.com

World Market Intelligence's corporate headquarters are in London, UK, with offices in Manchester, UK, and Hyderabad, India. We have over 100 staff dedicated to our retail business unit. We are part of Progressive Media Group, one of the worlds leading media, information and communication groups.