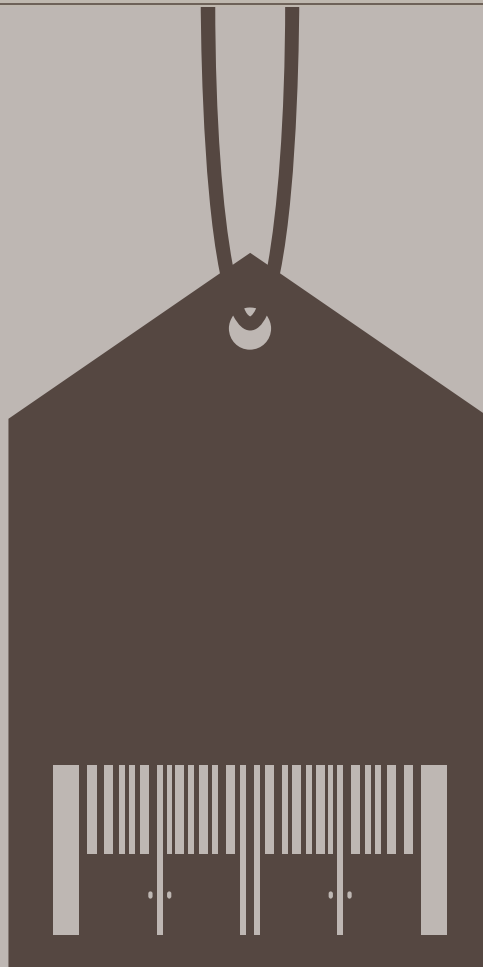


SnapShop Monthly

24th May 2012

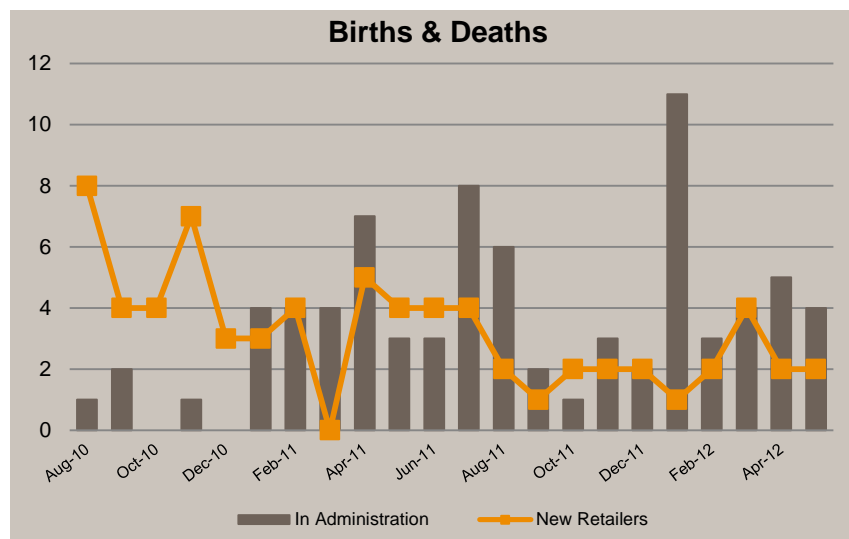


The Summary

Four administrations were recorded on SnapShop since our April issue: MBT, Yeomans Outdoor Specialist, Clement Joscelyne, Clinton Card Group (including Birthdays and Clintons). Yeomans Outdoor will continue to trade as it was immediately rescued in a pre-pack deal. Eighty-four stores and 435 employees have transferred to a new company, Yeomans Outdoor (there is no imagination in pre-pack!).

Some of the retailers added to SnapShop include: Lola & Grace, Dalvey, Denby, The Noodle House, Great Outdoors, Y-3, Relay Books, Express Clothing, Belgique and Go

Two new retailers to debut into UK include: Custo Barcelona and Weight Watchers



In the news...

- Some interesting industry statistics include: 5.2% rise in Britain's premium beauty market, according to research by NPD Group; record sales by Charity shops - store income nearly £1bn in the 12 months to March 31, according to the Charity Retail Association
- Stories from e-tailing include: drop in online sales growth to 10% YoY in April due to tough comparisons with last year, as reported in IMRG & Capgemini's latest e-Retail Sales Index; CBRE's "How Global is the Business of Retail?" says 40% of retailers worldwide now have an online browsing; a PortalTech study revealed that as almost half (44%) of smartphone owners expect to use their devices more when shopping and browsing over the coming months, with one third (31%) claiming they will make a purchase
- Brands and retailers alike are also coming up with celebratory product ideas to create a sense of fun and benefit from patriotic associations. Some of the examples include: Sainsbury's Bramley apple campaign; Selfridges Oxford Street has opened its Big British shop; Primark's owner Associated British Foods is rebranding its Kingsmill loaves as Queensmill; Heinz and Kellogg's are introducing limited-edition heritage packaging, Waitrose is promoting its Inspired by Britain range; The Co-op is providing food to organisers of street parties; Asda is backing the Big Jubilee Lunch; M&S marketing campaign clicks into the mood of "a very British summer"; Tesco's promotion around 'the Great British Summer'
- **Marks & Spencer** was a hot contender for FSP's retailer of the month award, until it decided to slash staff bonuses. Allegedly M&S bonuses are discretionary and based on business performance. If that's the case, why were staff expecting more (indeed any!) bonus in the first place? So having done really well on the sustainability front, M&S lost it on mismanagement of staff. Instead **FSP's retailer of the month** goes to **Wahaca**; small-fry in comparison, but with a commitment to sustainability evidenced by previously being awarded silver Ska rating from the Royal Institute of Chartered Surveyors (RICS) for a sustainable fit-out - the first restaurant to win such an award – enhanced this month with its announcement to open a temporary restaurant made from recycled shipping containers

Geoff's View

UK Retail Outlook

The recent bearish Retail Outlook published by stockbroker Seymour Pierce identifies short term and on-going factors that, in their view, are shaping the current retail outlook.

The cold, wet weather, the uncertainty surrounding the Euro and the lack of strong fashion stories have impacted retail sales in April and May. The Royal Jubilee and the bonanza of sporting events in June are likely to delay sales into the July Sale period. Gross margins are already flat as higher rates and utility costs offset any fall in cotton prices. Meanwhile, shopping habits have adapted to times of austerity and are becoming embedded.

The Seymour Pierce on-going structural concerns include the cannibalisation of store development by on-line growth and the limited need for further shopping development. With costs still rising, Gross Margins are unlikely to improve. The austerity habits include more disciplined, regular shopping trips, saving up to spend around the seasons, Christmas and Easter, and events, such as the Royal Wedding. The trading up, from "good" to "better and best" is accompanied by buying less.

Bear that I am, this analysis makes sense of the short-term factors but is misleading on the bigger, structural issues.

The future of retail is omni-channel, for which a physical presence is vital. Global retailers, for whom the UK is one region within their world-wide reach, may need only 30 or 40 UK outlets. For UK based retailers, such a number of outlets will be inadequate to generate the necessary authority and market dominance. Physical retailing is changing but it is not disappearing. Not least, humans are social animals who thrive through interacting with fellow humans and need a forum (interestingly the Latin word for market place) in which to meet. So I expect stores and shopping developments to continue, even if in a different format.

The disciplined, focused shopper sketched by Seymour Pierce seems more likely to be found in Janet and John books from the Fifties than amongst the shoppers interviewed by FSP. It is true that interest in luxury brands has become more widespread but not as an alternative to cheap fashion. Our research shows that the reasons to shop at the top end are many and various but they do not include a significant proportion reacting to an overload of cheap fashion. A 2008 Oxfam/M&S survey estimated that 46% of clothes in UK households had not been worn in the previous 12 months. So, fewer and better clothes makes good sense, but good sense and shopping are not natural bed-fellows.

With kind regards



Geoff Nicholson
Managing Director, FSP
Geoff@fspretail.co.uk

Retail News

Financial Restructuring	
Aquascutum	has been sold for £15m to a subsidiary of Hong Kong-listed YGM Trading, which already owns the brand in Asia
ASDA	shoppers could soon be greeted by 'hologram' sales staff who will tell them all about the latest products on offer. It is also mulling implementing a version of its parent Walmart's 'pay with cash' initiative, which allows customers to order online and pay using cash in store
Bathstore	has been bought by Endless for £15m cash payable over five years
Clement Joscelyne	was put into administration by the company's directors after trading deteriorated severely in recent months
Clinton Cards Group	collapse into administration has provoked interest from would-be buyers, with front-runner American Greetings facing competition from WHSmith and Card Factory
Floors 2 Go	Group has purchased Allied Carpets owner, Allied Floors Ltd out of administration
Hobbs	Private equity firm 3i is reportedly courting Hobbs in a deal which values the latter at up to £250 million
House of Fraser	has received at least two approaches to buy a significant stake in the business after its Icelandic owners put its shares up for sale
MBT	Masai GB Ltd, the UK arm of comfort footwear brand MBT, has fallen into administration
Midcounties Co-op	Travel has bought seven shops from the Thomas Cook/ Co-operative Travel joint venture
River Island	is understood to be in talks with Hammerson to open its second accessories store, at Birmingham's Bullring
Shoon	has been sold to its existing management as part of a buyout supported by restructuring specialist GA Europe
Thomas Cook	has warned it could face administration if shareholders fail to approve its planned disposals, however it has appointed a new CEO from outside the travel industry and is preparing to launch a turnaround strategy
Yeomans Outdoor Specialist	will continue to trade after being sold in a pre-pack deal. Eighty-four stores and 435 employees have transferred to a new company, Yeomans Outdoor
Internal Restructuring	
Amazon	has been ordered to clarify advertising about its premium one-day delivery service after customers complained that they had been left waiting for orders
Argos	has launched its speedy delivery service outside of London
Bonmarche	is rolling out a collect-from-store service as the latest step in developing a multichannel strategy
Boots The Chemist	is to close a large part of its in-store photo processing division, putting 300 jobs at risk
Boots The Chemist	is aiming to build food market share with the launch later this year of a range built around evening meals, and may even sell wine
D&D London	has put its 30 restaurants up for sale to fund expansion in London and emerging markets
Dixons Retail	is to develop in-house White Goods repair service
French Connection	has put 14 of its 71 stores up for sale including shops in Bluewater, Brent Cross and Lakeside
Greene King	has become the latest major operator to offer free wi-fi across its pubs after announcing a new deal with leading provider The Cloud
Habitat UK	is to house an exhibition space at its King's Road, London store
Halfords	is pushing its leisure range of 'staycation' holiday essentials with the launch of a nostalgic summer TV ad campaign
HSS Hire Shop	the machinery and tools business co-owned with hedge fund Och-Ziff is up for sale

Jaeger	new owner Better Capital is focusing on tackling logistics issues to put more stock into stores as it seeks to conclude a business review of the retailer. At the same time eighty more roles are at risk of redundancy in the latest round of consultations
Liberty	is to open its inaugural satellite store at Westfield Stratford City, celebrating everything that is British
Marks & Spencer	is aiming to boost its food basket size with the introduction of a new brand, Simply M&S and is to make a fresh foray into branded goods when it begins stocking a selection of beauty products
N Peal	is to relaunch under a fresh visual identity, to appeal to a more youthful market
Ocado	will double the size of its free-from range after launching a dedicated free-from web shop
Tattershall Castle Group	is launching a new Chinese takeaway-style menu offering to complement its drinks-led business
Tesco Stores UK	launched Everyday Value marketing campaign to support its new low-cost brand, as the remaining grocery products in the range reach shelves
Timberland	has confirmed that an unspecified number of employees have been laid off at its Stratham site amid ongoing changes to its organisational structure
Topman	will launch a premium suiting line for autumn 12 to capitalise on growing consumer demand for tailoring
Waterstones	is to sell Amazon's Kindle book-reader and launch other Kindle digital services
Store News	
Agent Provocateur	plans to nearly double its store portfolio through European expansion and is searching for up to 50 stores in the next five years, to add to its portfolio of 60 stores across 25 countries
Armani Exchange	is opening its first store in Wales in St David's shopping centre, Cardiff
Asda Living	has taken a new store, in Brotherhood Shopping Park in Peterborough
Belgique	has opened a ninth site in Bishops Stortford, Hertfordshire
Brasserie Blanc	launched its flagship restaurant in London's Covent Garden
Burberry	may look to phase the opening of its flagship store on Regent Street as it attempts to open the store in time for the Olympics
Cellar & Kitchens	has opened a new shop in Norwich
Coast	plans to trial a larger-format store after signing up for a flagship shop on London's Oxford Street
Costcutter	has unveiled the first c-store to carry its new-look fascia
Crocs	is to open its first store in Wales - also its first in the UK - with its new concept at St David's shopping centre in Cardiff
Custo Barcelona	is plotting major retail and wholesale expansion following its UK debut at Westfield Stratford
Debenhams	has agreed to pre-let 60,000 sq ft at Fort Kinnaird in Edinburgh
Debenhams	has been named as the anchor retailer on a £120m regeneration project in Beverley, East Yorkshire
Denby	is opening a store at the Lowry Outlet Mall
Forever 21	is expanding its Oxford Street flagship store by acquiring the adjacent unit currently occupied by Desigual
George	aims to generate 10% of sales online after bolstering its multichannel offer
Geox	has secured a new store at 530 Oxford Street
Gilly Hicks	opened a new store in Bluewater
Go	has agreed a funding deal to open two more sites
Greggs	is to open its second motorway service station outlet at Birch services on the M60 near Heywood
Hotter	plans to expand its store portfolio by 35 sites by the end of 2013
Internacionale	will launch its first transactional website this month, triggering a raft of multichannel services

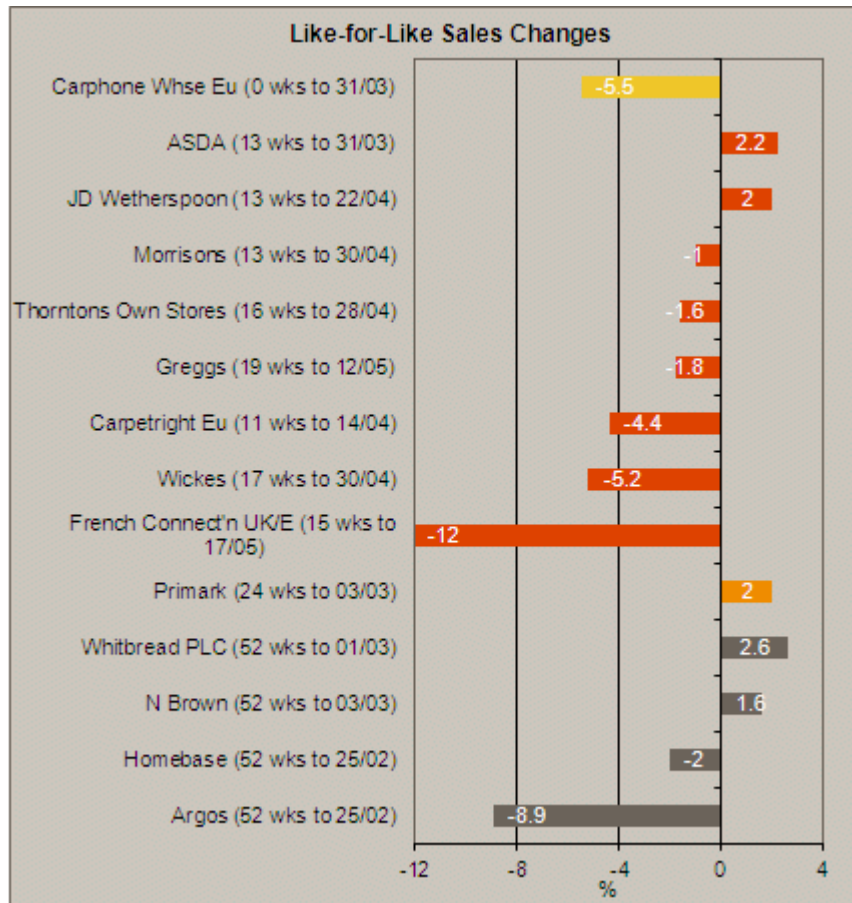
Jamie's Italian	branch is soon to open in Dublin - the restaurant will occupy a 4,500sq ft unit in the Pembroke area of Dundrum
JD Wetherspoon	plans to open 30 pubs in the next financial year and has taken the trend for open kitchens to the obvious next level with a cellar visible to the public at its New Malden opening
JJB Sports	new store model has won the support of key supplier Nike, which will bring new performance product into the retailer's stores
Jo Malone	is to open a new store on King Street, WC2
Joseph	and designer swimwear Orlebar Brown have bolstered the brand mix at Duke of York Square in Chelsea as owner Cadogan Estates plans to develop the area as a "leading fashion destination" in London
Kate Spade	has agreed a lease to open its first UK shopping centre store at Westfield London in Shepherd's Bush
Kingfisher	has launched an out-of-town trial concept called DIY Express that will seek to fill a gap in the market between its two existing brands, B&Q and Screwfix
Maplin	is looking for more Out of Town stores within the M25
Marks & Spencer	launched a campaign ('shwopping') to stop one in four items of clothing bought in the UK ending up in the bin
Mint Velvet	is embarking on an aggressive retail push to more than triple its UK standalone stores over the next three years
Musgrave Group	is searching for a big retail partner to strike a click-and-collect partnership
N Brown	is introducing a click-and-collect service using convenience stores as it seeks to widen its customer base by strengthening its multichannel offer
Nandos	is to open in Southwark in the railway arches fronting Blackfriars Road, SE1
Oak Furniture Land	is to more than double store numbers over the next 18 months
Papa John's	has announced that it aims to open a further 25 stores across the country, taking the total number of Papa John's outlets to 200 in the UK, by the end of the year
Patisserie Valerie	has signed to open its first stores in Scotland, as it continues to expand its portfolio
PizzaExpress	has revamped its retail range of pizzas to echo the fresh look in its restaurants. The new design makes heavier use of Pizza Express' iconic black and white stripes, as worn by its pizzaiolos
Poundland	has appointed Macarthur Wilson to acquire nearly 70 stores in the South West and South Wales
Poundworld	has launched a wholesale website to cater for small retailers in what it believes is an 'untapped' market
Republic	is understood to be looking for around five stores this year with a particular focus on the South East. It is eyeing space of between 8,000-15,000 sq ft
Rossopomodoro	plans to open five new restaurants in the next year as part of a £4m investment
Sainsbury's Supermarkets	has launched its mobile grocery website as competition for smartphone spend heats up
Selfridges	is poised to extend its flagship store on Oxford Street
Simply Food	is set to open a new store on the plot of a former Royal Mail site in Berkhamsted which has been acquired by property firm Metric Property Investments
Temperley	London has announced the launch of its first flagship store in London's Mayfair
Tesco plc	will launch an F&F central London pop-up for four days during the Queen's Diamond Jubilee
The Kooples	is to open a 2,500sq ft store at 270 Brompton Road in London's Knightsbridge
Victoria's Secret	is open its first UK store, one of the most anticipated debuts of the year, to coincide with the flood of visitors expected for the Olympics
Wahaca	is to open a temporary restaurant made from recycled shipping containers on London's Southbank
Whole Foods Market	opens its latest store in central London, a relocation of its Soho store to Piccadilly Circus
YO! Sushi	plans to double the size of its UK portfolio by 2017

Zara	is said to be planning a record fifth store on London's Oxford Street
New Retailers	
Express Clothing	is drawing up plans to enter the UK market and open stores in London, ahead of a further expansion across Europe
Kwik Save	has returned to the high street with the opening of the first all-new convenience format store in Little Lever, in Bolton
Relay Books	is making a return to the UK with a 755sq ft trial shop in London's Cannon Street station
The Noodle House	is to launch in the UK this year after Jumeirah Restaurants announced it was planning to open 27 sites across England, Scotland and Wales with various cities being considered
Weight Watchers	has opened its first UK store in Reading
General News	
Asda Income Tracker	has exposed a glaring north-south divide in disposable income while nationwide family spending is at its lowest since the collapse of Lehman Brothers in 2008. The grocer said UK families were £10 a week worse off in March than a year earlier with a £144 average of discretionary spend, 6.5% lower than last year
Base Menswear	is to expand its kidswear offer as it trials a move away from the 'shrinking' branded menswear market
Britain's premium beauty market	has seen a 5.2% increase in value year-on-year, according to research by NPD Group
Costa	has signed a deal to sell a range of home coffees with food giant Kraft - taking its battle with Starbucks into the retail as well as coffee shop sphere. It also announced a new deal with communications giant O2 to provide free Wi-Fi internet access across its UK estate
DIY spending	has plunged to its lowest level in over 15 years. Households spent £7.8bn on DIY last year, down 17% after allowing for inflation on 2010's £9.4bn figure according to research from Lloyds TSB
For the first time	in almost 30 years, 2012 will be the first year during which no major shopping centres will open in the UK. The BCSC/Lunson Mitchenall 2012 Shopping Centre Development Pipeline reveals that the pipeline will pick up in 2013
Giraffe,	Benito's Hat, Fuller Smith & Turner, Leon and Prezzo are among a host of operators to have opened up on the new concourse at King's Cross station in London, the first station-based site for each of them
HMV	has entered a strategic partnership with ticket giant Ticketmaster UK to extend the scope of its Hmvtickets ticketing service
Iceland	is to launch in the country of the same name after striking a deal with Johannes Jonsson, the father of controversial former Baugur boss Jón Ásgeir Jóhannesson
Jessops	is set to receive a £10m investment from camera manufacturer Canon to help prop it up
Marks & Spencer	is facing a revolt by its shopworkers after annual bonuses were slashed to just £100
Net-a-Porter	is to offer customers the chance to buy next season's McQ collection, two months before the range goes into stores
Network Rail	expects to post record retail figures from its newly-launched western concourse at King's cross station driven in part by the restaurants and bars on site including Leon and the Fuller's pub The Parcel Yard
Pizza Hut	recently delighted fast food fans and appalled healthy eating campaigners with a hot dog-stuffed pizza in the UK
Retail trade sector	suffered an 180% rise in administration appointments with 67 businesses collapsing during Q1 2012 compared to 24 in Q4 2011, according to research by KPMG
SportsDirect.com	is to open its first store in Iceland, located in Kópavogi in Reykjavik
The North Face	has been handed a £2.8m fine by regulators for price fixing
Thorntons	is putting its hopes on the Jubilee to avoid its traditional summer slump
Waitrose	is expanding its Brand Price Match, which promises prices on par with Tesco on branded goods
YO! Sushi	is doing its bit for the Queen's Diamond Jubilee celebrations this summer with a limited edition commemorative plate and special regal 'diamond' encrusted dessert

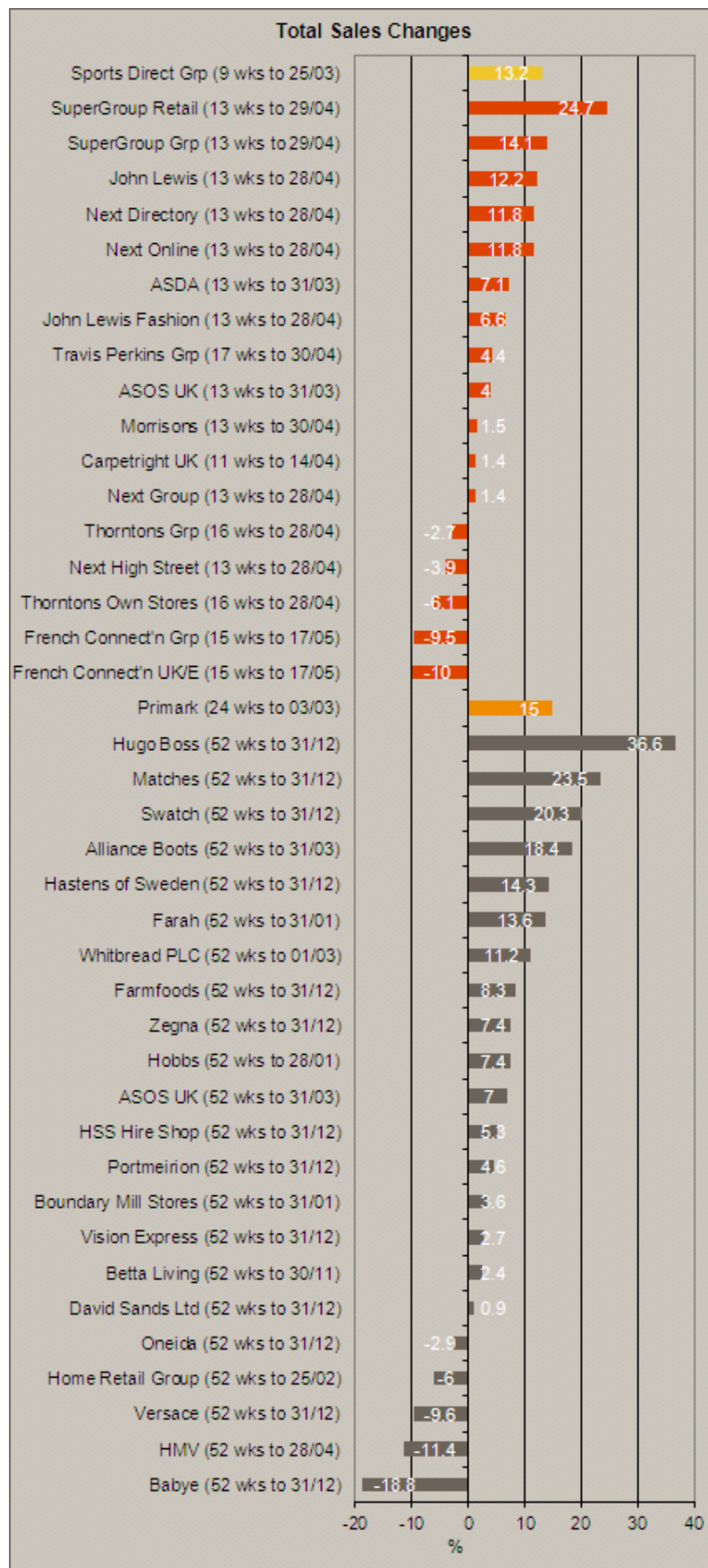
Property	
Allied London Properties Limited	has put a portion of its luxury shopping and leisure quarter at Spinningfields in Manchester up for sale
Game	owner OpCapita, is starting to sign leases with landlords with an average rental discount of 25%
Hollister	opened its first central London store on Regent Street
Juicy Couture	has announced it will relocate its London flagship to 198 Regent Street this July and will launch a London canvas tote to celebrate the 2012 Olympic Games
Marks & Spencer	is to increase its representation in Durham by opening a new 60,000-sq ft unit in the Arnison Centre
Marks & Spencer	has signed to anchor Hammerson's 150,000sq ft retail extension of the Cyfarthfa Retail Park in Merthyr Tydfil, Wales
Moorfield	Group has secured a raft of deals at its Capitol shopping centre in Cardiff which includes Tesco, easyGym and Caffe Nero
Next plc	has taken more than 250,000 sq ft of space at Redhouse Interchange under the largest lettings deal in Yorkshire for six months

Retailer Results

Like-for-Like Sales



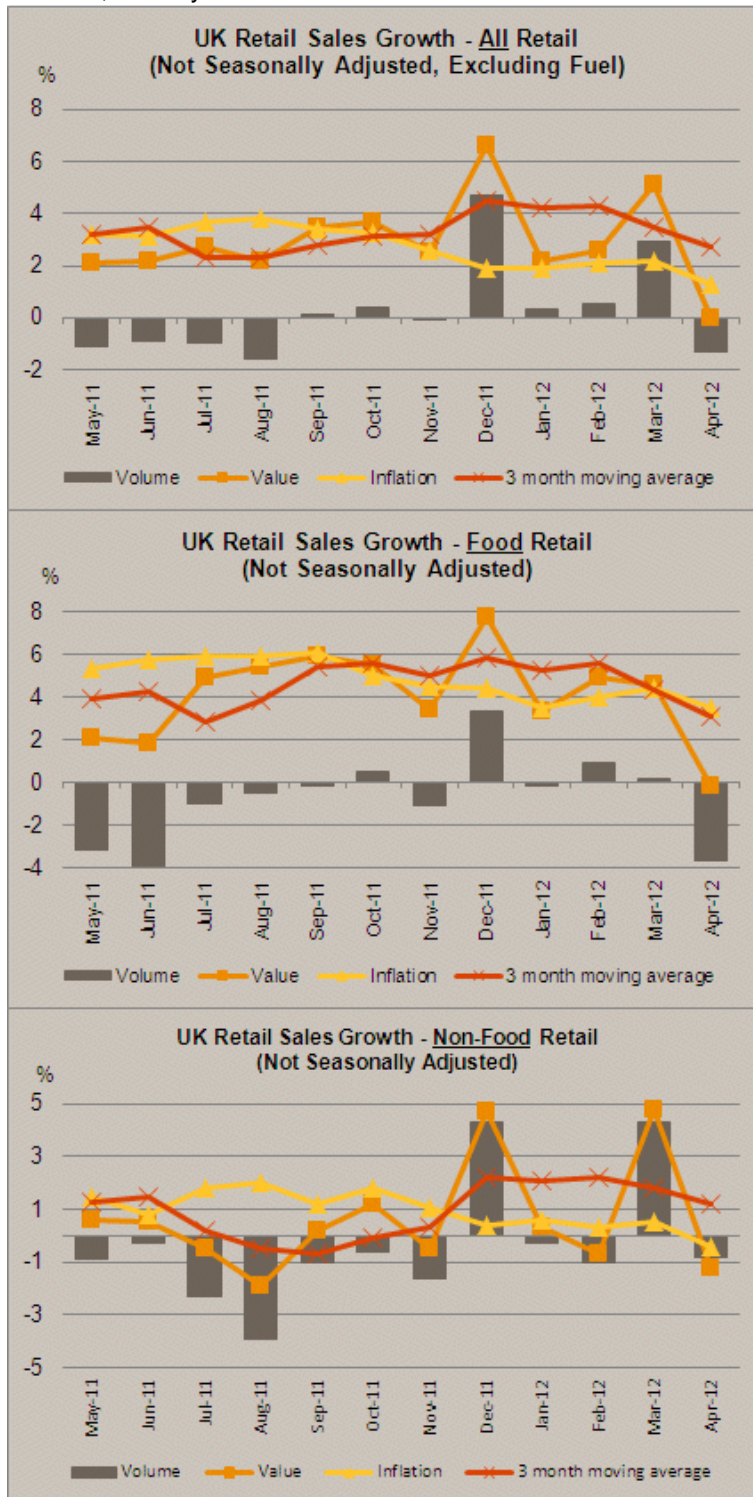
Total Sales



UK Overview

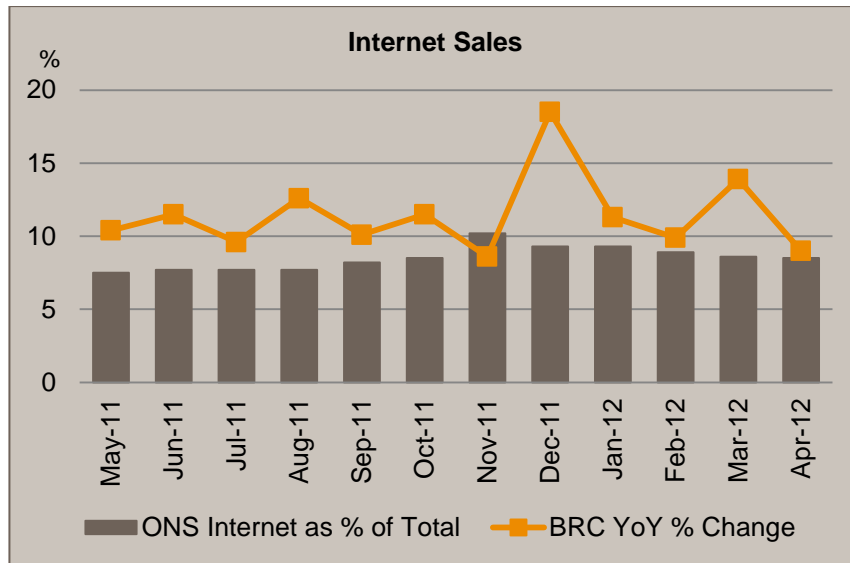
ONS Retail Sales

Although against a tough comparable month in 2011 (fine weather, royal wedding and Easter), the comparable non-seasonally adjusted figures for April 2012 show value of all retail sales unchanged, with volume down 1.3%. Value of Food sales was down 0.2% and of store-based Non-Food by 1.2%. However, value of Non-Store sales rose by 12.1%. Amongst stores, sales through the Non-Specialised Stores, the category for price point outlets, rose by 7.8%.



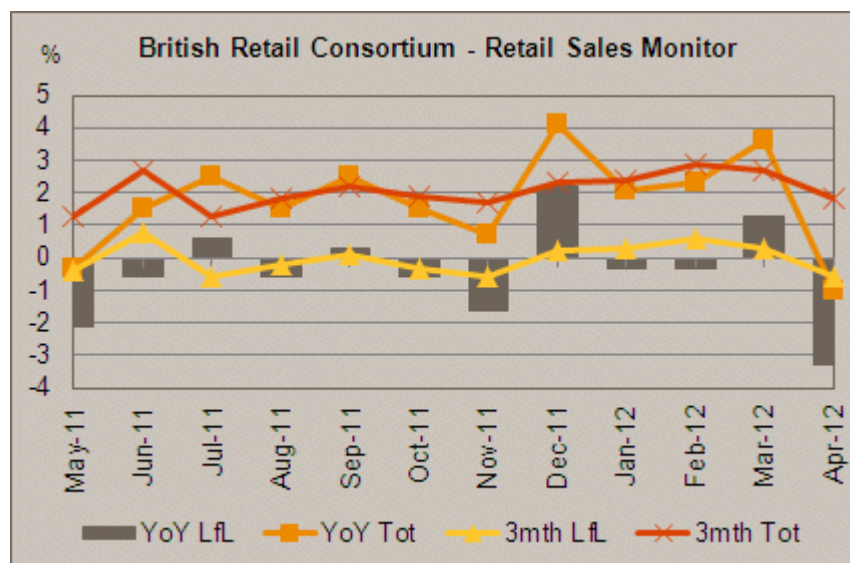
Internet Retail Sales

Based on ONS experimental Internet sales series, the non-seasonally adjusted average weekly value of Internet retail sales in April 2012 was approximately 8.5% of total retail sales (excluding automotive fuel). According to BRC, online (including mail-order and phone) sales of non-food items showed slower growth, though against a relatively strong April 2011. Sales were 9.0% up on a year ago, the weakest since November 2011.



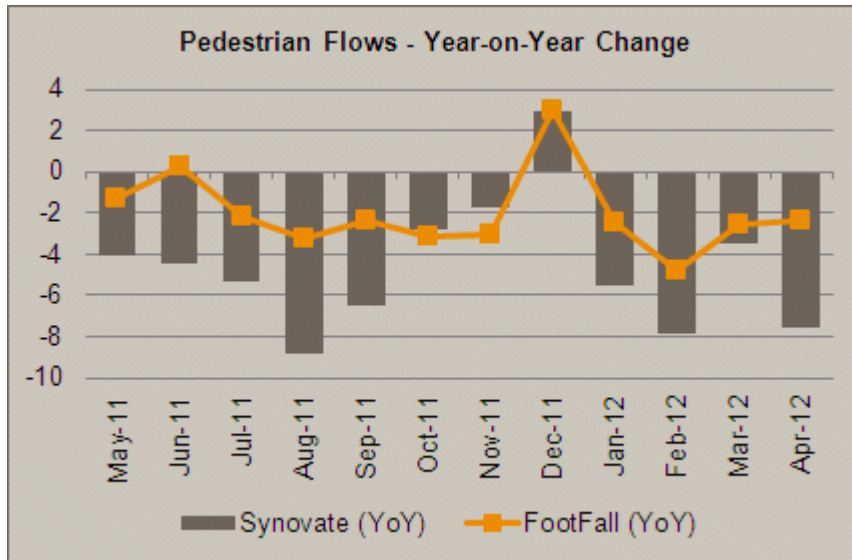
BRC Retail Sales

UK retail sales values were down 3.3% on a like-for-like basis from April 2011, when they were up 5.2% on a year ago. On a total basis, sales were down 1.0%, against a 6.9% increase in April 2011.



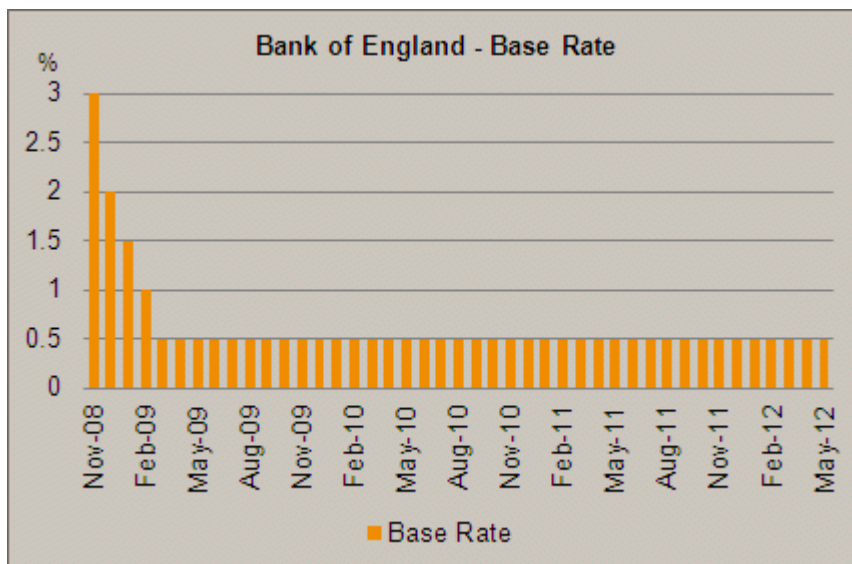
Pedestrian Flows

Synovate Retail Traffic Index for April was down 7.5% on YoY basis and increased 4.7% on MoM basis. Experian Footfall reported a fall of 2.4% YoY



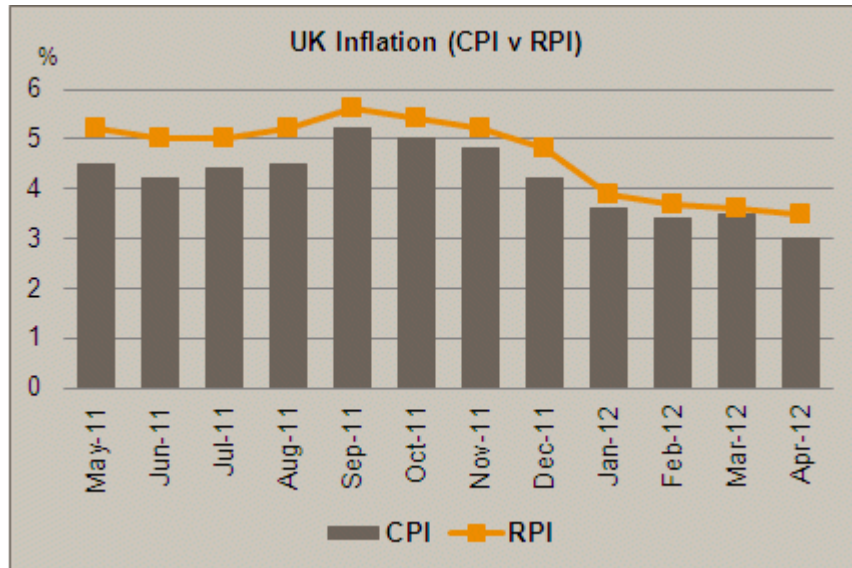
Interest Rates

The Bank of England's Monetary Policy Committee voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. This rate has been maintained since March 2009



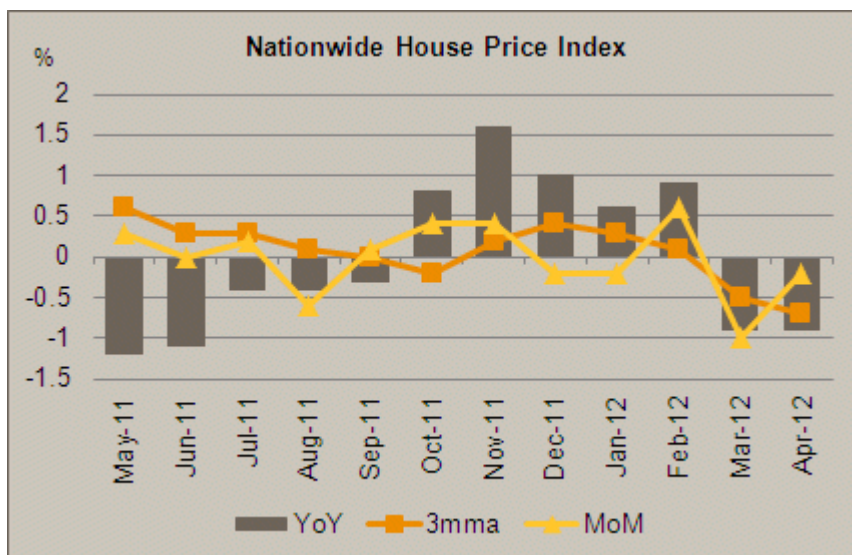
Inflation

CPI annual inflation stands at 3.0% in April 2012, down from 3.5% in March. RPI annual inflation stands at 3.5% in April 2012, down from 3.6% in March.



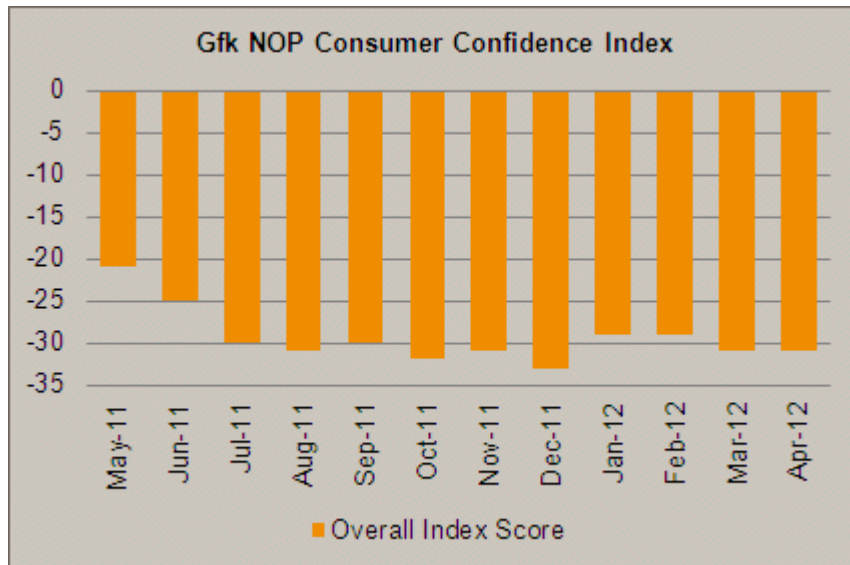
House Prices

According to the Nationwide index, the price of a typical house decreased 0.2% in April and was 0.9% lower than one year ago. The average price of a typical UK property in January was £164,134



Consumer Confidence

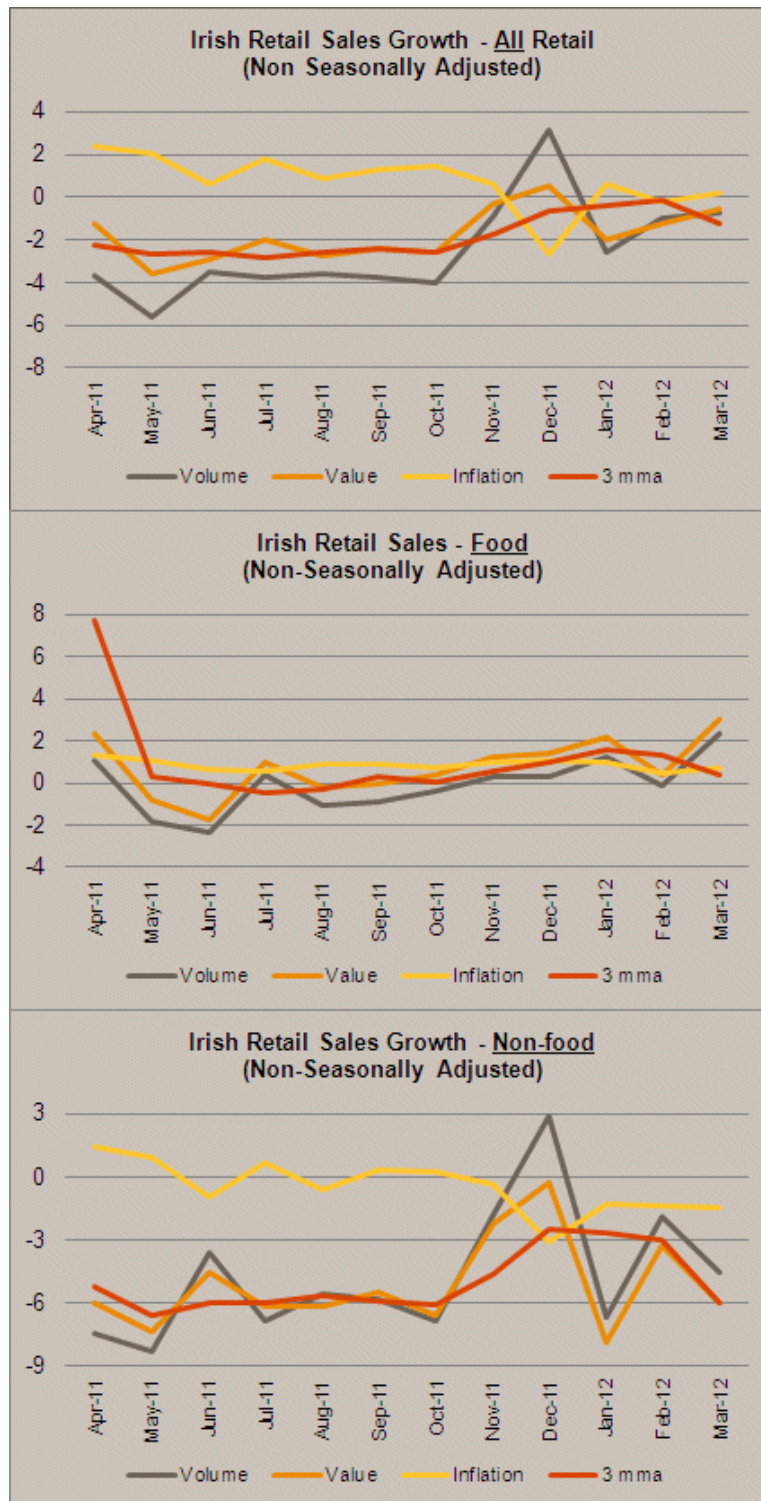
The overall index score this month has remained the same at -31. Nick Moon, Managing Director of Social Research in GfK, comments: *"The figures this month will not offer the government any relief in light of the news that the economy has slipped back into recession. We are now approaching a whole year with the Index stuck within a narrow range of -29 to -33, and it is clear that much like the economy as a whole, consumer confidence is in the doldrums. And unfortunately, there are no signs either within the survey or in the recent economic figures to suggest any immediate improvement."*



Ireland Overview

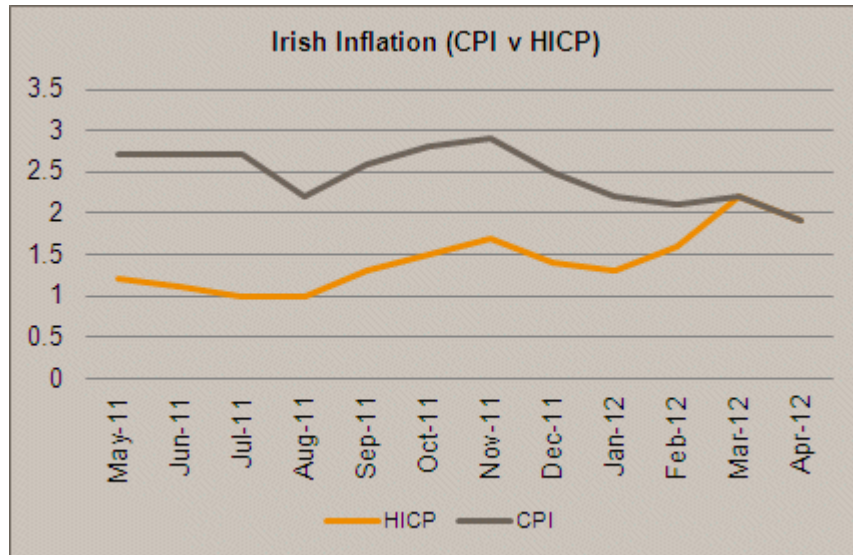
CSO Retail Sales

At the time of writing, the most recently published data were for March, when the value of retail sales decreased by 0.6% YoY. Value of retail sale of food increased by 3.0% YoY whilst non-food decreased by 6.0%



Inflation in Ireland

The annual inflation rate in Ireland in April, as measured by both the CPI and HICP, was 1.9%, both down from 2.2% last month.



And Finally

Retailers hope the Olympics will keep them alight!

Only if you have been under a rock for the last 12 months could you have missed out on the hype surrounding an event with over 26 different sports, 10,500 participants and millions of spectators.

From press articles released over the last few weeks it is clear to see that retailers are taking advantage of London staging the Olympics.

Located on the main entrance to the Olympic Park, Westfield Stratford's tenants hope to catch some of the action, as visitors arriving by public transport, will have to walk through the shopping centre to get to the Park.

Joining some of the 300 hopeful retailers in time for the games are Victoria's Secret and Kate Spade.

Retailers like Burberry are opening elsewhere inside London and will also throw open their doors before the opening ceremony.

Juicy Couture and Selfridges (amongst others) will be launching lines to celebrate the Games.

It is not just big name retailers however who are hoping to cash in on the games; one of the Olympic torch relay participants has auctioned off her souvenir on eBay. The torch she used in the parade (bought for just £215) fetched over 153,000 quid! We, at SnapShop, are pleased to note she's putting the money towards a community gardening project - The People's Plot. The retailers are not anticipated to be quite so altruistic!

www.fspretail.co.uk
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FSP has gone to its best efforts to ensure this data is correct but the author reserves the right not to be responsible for the accuracy of information provided.

Heidi Roberts

Information Manager

T +44(0)1494 474740
F +44(0)1494 474262

Heidi@fspretail.co.uk

Tanupriya Bajaj

Retail Knowledge Executive

T +44(0)1494 474740
F +44(0)1494 474262

Tanu@fspretail.co.uk

**FSP RETAIL BUSINESS
CONSULTANTS**

19 Manor Courtyard
Hughenden Avenue
High Wycombe
UK, HP13 5RE

T +44(0)1494 474740
F +44(0)1494 474262
admin@fspretail.co.uk

www.fspretail.co.uk
www.snap-shop.co.uk