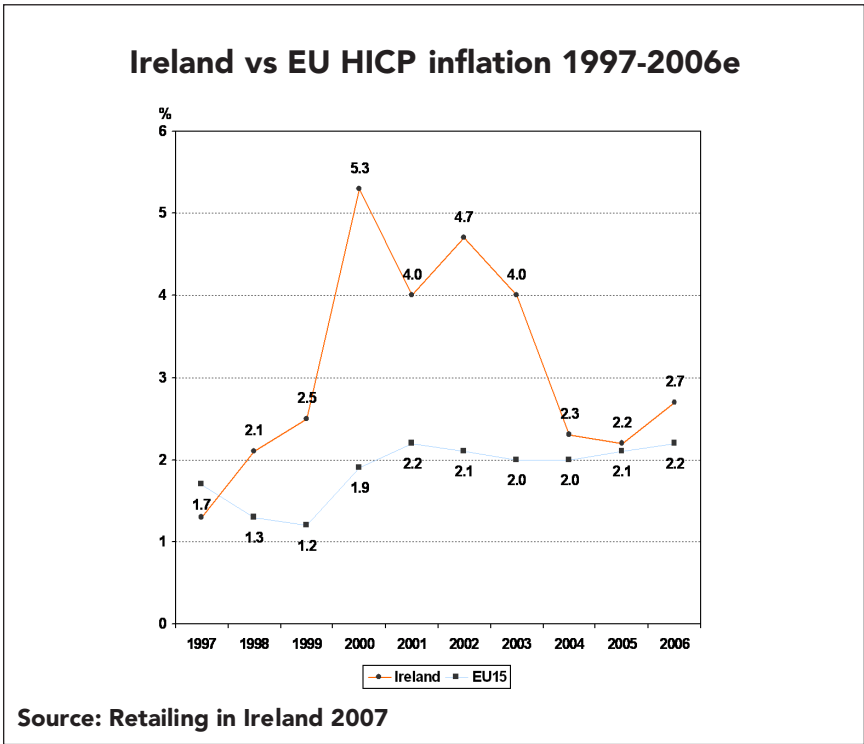


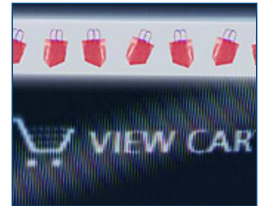
Retailing in Ireland 2007

New space presents new opportunities

Sector Report - Published October 2007



“The Harmonised Index of Consumer Prices (HICP) provides a standardised measure of inflation for European member states. In general, the new member states and smaller countries have produced a much higher rate of inflation than the Top 10 economies. In the case of Ireland, inflationary pressures have displayed some significant fluctuations over the past decade, with inflation peaking at 5.3% during the height of its Celtic tiger growth period at the turn of the millennium. More recently, inflationary pressures have fallen considerably, but remain above the European Central Bank’s 2.0% target...”



About Verdict Research...

Verdict Research has been producing independent retail analysis and comment on the UK retail marketplace for well over 20 years and is regarded as a key source by BBC, ITV and the leading broadsheets including, the FT, Times, Independent and Daily Telegraph. Many leading trade publications also frequently refer to Verdict's opinion and research including Retail Week, DIY Week, Cabinet Maker and The Grocer.

Products and services include:

- **Consumer Research Reports**
 - How Britain Shops
 - Where Britain Shops
 - Consumer Satisfaction Index
 - Consumer Insights Profiles
- **UK Sector Reports**
 - Accessories
 - Clothing
 - DIY and Gardening
 - Department Stores
 - Electricals Retailers
 - Entertainment
 - Footwear
- **European & Global Reports**
 - Furniture and Floorcoverings
 - Grocery
 - Health and Beauty
 - Homewares
 - Pharmacy Retailers
 - Global Department Stores
 - Global Luxury Retailing
- **Location and Channel Reports**
 - e-Retail
 - Mail Order Retailing
 - Neighbourhood Retailing
 - Out of Town Retailing
 - Town Centre Retailing
- **Retail Futures**
 - Quarterly Forecasts to 2009
 - Annual Forecasts to 2011
- **Retail News & Comment**

Some key findings from this report...

- **Key growth drivers such as the strong housing market and the SSIA scheme are coming to an end as consecutive interest rates rise will start to bite eventually.** The Irish housing market will experience tougher trading conditions going forward. As a result growth in DIY and gardening, electricals and homewares is will be harder to achieve.
- **Relatively high personal debt levels indicate that Irish consumers are not shy when it comes to spending.** Consequently deflationary trends in clothing, electricals and homewares are not as pronounced in Ireland as they are in the UK. The right players executing the right strategy at the right time will continue to do well.
- **There are still underserved markets in Ireland for grocery, home, clothing retailers and Internet retailing.** Retailers need to adapt their strategies and store portfolios to the regional circumstances, and decisions have to be taken whether to move into secondary or tertiary towns.

	Market Size €m	Y-o-Y growth %
2001	18,200	10.3
2002	20,700	13.7
2003	22,700	9.7
2004	21,800	-4
2005	23,100	6
2006	24,393	5.6
Change % 2001-06	34	

Source: Retailing in Ireland 2007

"The retail market of the Republic of Ireland has experienced solid growth since the beginning of the current millennium, posting a 34.0% uplift between 2001 and 2006. The strongest growth occurred during the early part of this period, when the booming tiger economy was nearing its end. Though the double digit growth rates that were normal in the country during the mid-to-late 1990s have slowed, growth has continued..."



Retailing in Ireland 2007

The Irish retail market has experienced solid growth since the beginning of the current millennium, rising by 61.9% between 2001 and 2006. The strongest growth occurred during the early part of this period, when the booming economy was nearing its end. Though the double digit growth rates that were normal in the country during the mid-to-late 1990s have slowed, growth has continued.

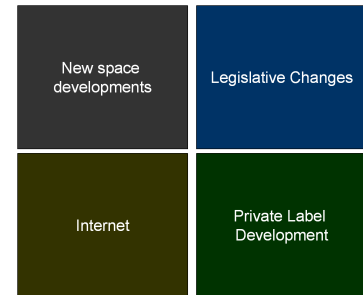
Retailing in Ireland 2007 is a new report published by Verdict that analyses into the key trends and future developments and it provides in-depth analysis of the main operators in the market. This report also provides new insights into retailer growth strategies through its detailed analysis of the opportunities in the sector and the threats posed by slowing economic growth.

This new report will help you to assess the retail competitive landscape in Ireland and create strategies to exploit future growth in the retail market.

This new report will enable you to...

- **Benchmark your competitive strategies using the company profiles contained in this report** for key retailers including Dunnes Stores, Superquinn, Tesco, Marks & Spencer, Musgrave and DSGi.
- **Quantify key retail trends and accurately predict future opportunities** based on this report's company profiles detailing market share of six leading retailers, demographics, channels of distribution, store numbers, selling space provision, sales densities and average store size in five key sectors.
- **Predict potential growth for retail in Ireland and the challenges facing key Irish retailers** in-depth analysis of market drivers, key issues and market outlook using this report's growth forecasts for Grocery, DIY, Furniture, Clothing (including department stores), and Electricals in Ireland.

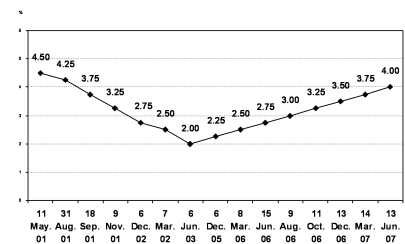
Opportunities for Irish retailers 2007



Source: Retailing in Ireland 2007

"Throughout the Republic, but especially in Dublin, where around 40.0% of the population lives, rents on the high street have continued to rise rapidly over recent years. Despite this many international players, mainly fashion multiples such as H&M, Zara and New Look, are still actively seeking out new space in prime retail locations..."

ECB interest rates 2001-07



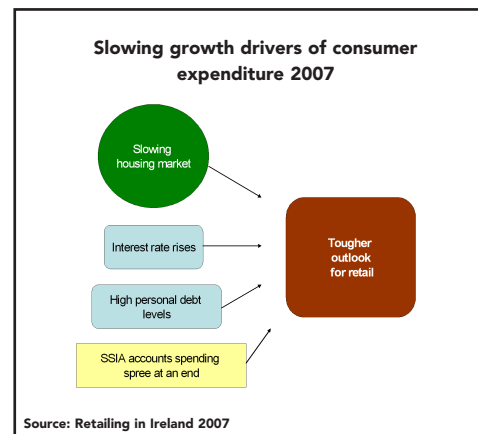
Source: Retailing in Ireland 2007

"Maintaining price stability is the primary objective of the euro system, as outlined in the monetary policy chapter of the EC Treaty. The ECB has defined price stability as: 'a year-on-year increase in the Harmonised Index of Consumer Prices for the euro area of below 2.0%'. Since the euro is performing as strongly as the stalwart national currencies previously used by the member states, a high level of price stability has been established..."



Key issues examined in this report...

- Purchasing power in Ireland is among the highest in the EU.**
 As GDP growth is forecast to continue, albeit at slower levels, the attraction to retailers is obvious. However, achieving economies of scale is difficult, as the relatively small population size, and to an extent the rural infrastructure, act as a stumbling block.
- An explosion of new retail space is transforming the Republic of Ireland.** Retailers' ability to capitalise on the growing affluence of Irish consumers has been restricted by a shortage of quality infrastructure and a restrictive planning policy over the last decade. However, major new shopping centres are raising consumer spending and a relaxation of store size limits has enabled development, opening the door to retailers such as IKEA.
- The environment has become a major issue in Irish retailing.** The plastic bag charge in the Republic could act as a shining example of what UK retailers should be doing to reduce usage and waste.



"In contrast to most other countries in the European Union (with the exception of the UK and some eastern European countries) Ireland has high rates of home ownership. In particular, house ownership (at approximately 80.0%) is the norm..."

Your key questions answered...

- Will the strong growth of retail in Ireland continue?
- Who are the winners and losers in the Irish market?
- Who are the top players in the Irish retail market and how are they consolidating their positions?
- Where are the future growth opportunities in the Irish market?
- How can retailers differentiate themselves and grow their sales?
- Which retailers are pursuing multi channel growth and how?

Ireland grocery market share 2006e

	€m	% share
Tesco	2,860	26.7
Musgrave	2,714	25.4
Dunnes**	1,800	16.8
Superquinn*	620	5.8

***estimated, **excludes non-grocery sales, includes VAT estimate**

Source: Retailing in Ireland 2007

"With an estimated market share of 26.7% Tesco holds the clear market leadership in the Republic of Ireland, ahead of Musgrave, Dunnes Stores and Superquinn.

Grocery retailing has historically been highly concentrated in Eire more so than in the UK. Other significant players include the German hard discounters Aldi and Lidl, which have targeted Ireland's buoyant economic growth and high purchasing power levels..."



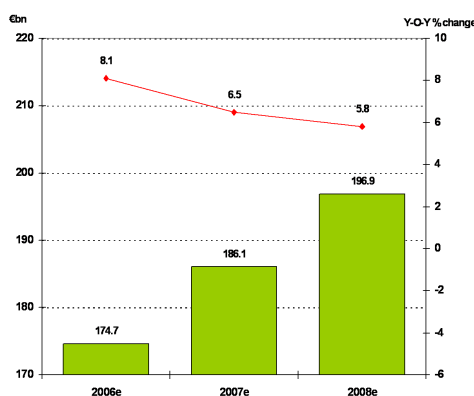
Sample information from 'Retailing in Ireland 2007'

Chapter 2: IRELAND – ECONOMIC OVERVIEW

GDP

- Ireland has been one of the EU's star performers for GDP growth in recent years. During the early part of the 10 year period, Ireland benefited from substantial inward investment flows, a social partnership approach to economic development and a youthful population, resulting in a rapidly expanding labour force. These were among a number of factors enabling Ireland to double its share of the EU15's GDP, from 0.8% in 1996, we estimate to 1.6% by 2006.
- Most of this growth came in the first half of this period, when Ireland's booming economy was coined the 'Celtic tiger' (after the booming performances of the South East Asian tiger countries). Ireland was transformed from one of Europe's poorest to wealthiest countries. A climate of low corporation tax and a slew of EU aid to increase investment in the education system and its physical infrastructure played a key role in boosting the country's fortunes.
- The influence of large foreign multinationals on the Irish economy cannot be overestimated. Over the course of the 1990s major US organisations specialising in high-tech manufacturing industries, specifically computers, electronics, chemicals and pharmaceuticals, have based European head offices in the country. Generous financial incentives from the Irish government, the lack of a language barrier and an extensive, young, well educated workforce made Ireland an attractive destination for US companies especially.
- Despite GDP growth slowing considerably between 2000 and 2005, Ireland's impressive economic performance continued. During this period the country remained the fastest growing economy in Europe, with the 54.6% increase in GDP more than twice the rate achieved by the EU15.
- Looking ahead, though GDP growth is set to slow through to 2008, it will remain comfortably ahead of the remaining EU26 countries.

Figure 3: Ireland GDP forecast 2006, 2007 & 2008e



Source: Retailing in Ireland 2007



Table of Contents

CHAPTER 1: EXECUTIVE SUMMARY

- Key Findings
- Main Conclusions

CHAPTER 2: IRELAND: ECONOMIC OVERVIEW

- Key Findings
- Main Messages
- GDP
- Inflation
- Interest Rates
- Employment

CHAPTER 3: IRELAND: DEMOGRAPHIC OVERVIEW

- Key Findings
- Main Messages
- Population Growth by Country: Ireland vs EU25
- Age Breakdown

CHAPTER 4: IRISH RETAIL MARKET

- Irish Retail Market Size

CHAPTER 5: FOOD & GROCERY

- Ireland Grocery Matrix
- Recent Key Developments
- Leading Grocers
- Outlook

CHAPTER 6: CLOTHING & FOOTWEAR

- Ireland Clothing and Footwear Matrix
- Fast Fashion
- Recent Key Developments
- Outlook
- Department Stores
- Recent Key Developments
- Leading Department Store Operators
- Outlook

CHAPTER 7: DIY

- Ireland DIY Matrix
- Recent Key Developments
- Leading DIY Operators
- Outlook

CHAPTER 8: ELECTRICALS

- Ireland Electricals Matrix
- Recent Key Developments
- Leading Electricals Operators
- Outlook

CHAPTER 9: FURNITURE

- Ireland Furniture Matrix
- Recent Key Developments
- Leading Furniture Operators
- Outlook

CHAPTER 10: STRATEGIC ISSUES

- Increasing Number of Households
- Slowing Growth Drivers
- Opportunities
- New Space developments
- Legislative Changes
- Internet
- Private Label development
- Outlook

CHAPTER 11: DSGi

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook

CHAPTER 12: DUNNES STORES

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook

CHAPTER 13: MARKS & SPENCER

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook



Table of Contents (Contd.)

CHAPTER 14: MUSGRAVE

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook
- Trading record 2002-2006

CHAPTER 15: SUPERQUINN

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook

CHAPTER 16: TESCO

- Company Overview
- Recent Key Developments
- Sales Performance and Benchmarks
- Store Portfolio
- Outlook

CHAPTER 17: DEPARTMENT STORES

- Arnotts
 - Outlook
- Brown Thomas
 - Outlook
- Clery & Co
- Debenhams

CHAPTER 18: GLOSSARY

- Definitions
- Abbreviations

ADDITIONAL TABLES & FIGURES

- Ireland Population structure by province 2006 on 2002
- Ireland Comparison of age groups 2015e on 2005
- Ireland Vs EU25 Forecast population growth (%) 2015 on 2005
- Irish historical changes in age breakdown 2005e on 1995
- Irish forecast changes in age breakdown 2015e on 2005e
- Ireland GDP 1996-2006
- Ireland GDP forecast 2006/2007/2008e
- Ireland Vs EU HICP inflation 1997-2006e
- Ireland Vs EU15 Total unemployment 1996-2006
- EU15 % change in GDP 2000-2005
- ECB interest rates 2001-07
- Irish retail market size 2001-2006e
- Household formation 2007
- Slowing growth drivers of consumer expenditure 2007
- Opportunities for Irish retailers 2007
- Grocery matrix 2001-2006
- Grocery market share 2006e
- Clothing and footwear matrix 2001-2006
- DIY matrix 2001-2006
- DIY market shares 2006
- Electricals matrix 2001-2006
- Furniture matrix 2001-2006

*Please refer to our website www.verdict.co.uk for up-to-date prices

I would like to order the following report(s):

Please enter the title of the report(s) below*

Please circle your currency

_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____

Complete your contact details:

Title: Mr/Mrs/Ms _____ First Name _____

Last Name _____

Job Title _____

Company _____

Address _____

City _____ State/Province _____

Country _____ Post Code/ZIP _____

Email Address _____

Telephone Number _____

Fax Number _____

ALL FORMS MUST HAVE A SIGNATURE TO CONFIRM YOUR ORDER:

Signature _____

Complete your payment details:

Please indicate your preferred currency option: UK£ EUR€ US\$

Total value of my order is _____

I will forward a check payable to Verdict Research Limited

Please invoice my company (please complete invoice address below)

I would like to pay by bank transfer (email address required)

Please debit my credit/charge card: Amex Visa Mastercard

Cardholder/invoice address _____

Cardholder Name _____

Card No _____

Expiry Date _____ / _____

Cardholder/invoicee Signature _____

EU companies (except UK) must supply VAT / BTW / MOMS / MWST / IVA / FPA number : _____

Purchase Order Number (if required) _____

How to contact us:

Verdict Research Limited, 119 Farringdon Road, London, EC1R 3DA, United Kingdom.

marketing@verdict.co.uk

+44 (0) 20 7551 9750

Web Order

By completing this form you agree that the data in the form will be used for the purpose of processing your order. We may also use your data to keep you informed of Verdict's products and services. As an international organization, Verdict may need to process your data internationally, including in countries which do not have data protection laws, or which have standards lower than the European Union. Verdict, however, seeks to protect your personal data. You have a right to see and correct your data by writing to us. Sometimes a fee is payable. For queries about this contact retail@verdict.co.uk. Please tick the relevant box(es) if you would not like Verdict to contact you by:

Post Email Fax Phone

Occasionally, our client list is made available to other companies for carefully selected correspondence. Please check here if you do not wish to receive such correspondence by:

Post Email

This order is subject to our standard terms and conditions, a copy of which is available on request.