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INTERNATIONAL

■ Top Asian retailers

The Retail Asia magazine in collaboration with Euromonitor has published a report on a number of Asian countries and lists the top retailers in each as well as some useful observations. This is a considerable task for several reasons. Among them, the fact that company names are not always clear in different languages and scripts, the fact that some groups are large and very diverse holdings including retail and other activities, and some are privately owned.

The figures in the report relate to 2003 and in some cases significant changes have occurred since then in terms of alliances, demergers etc. Nevertheless, the report is a useful beginning and certainly worth continuing and enriching over time.

Details from a selection of countries is reproduced below with the top five retailers in each case and some general comments.

China

Company	Retail turnover 2003 (RMB m)	Outlets
Shanghai Friendship	26 957	2 442
Beijing Gome	20 500	132
Carrefour	20 105	40
Wal-Mart	14 939	31
Beijing Hualian	14 500	106

(1€ = RMB 10.2)

According to official sources, China's top 100 retailers account for just about 8% of the market. Over 300 foreign retailers are already in China and they are set to expand with the deregulation of the sector. China's annual growth

rate ranked first among 12 major countries in the region. With continued growth, retailers have realised that they are gaining increasing strength in dealings with suppliers and manufacturers. A high level of consolidation is taking place in retail but it is still very highly fragmented.

Hong Kong, China

Company	Retail turnover 2003 (HK\$ m)	Outlets
AS Watson	14 090	457
Dairy Farm	13 902	967
Aeon	3 044	8
China Resources	2 661	115
Wheelock & Co.	2 092	12

(1€ = HK\$ 9.6)

In Hong Kong there are very few regulations on retailing, including no restrictions on the entry of foreign retailers. Most outlets are open daily for up to 17 hours a day.

It is expected that two main trends will continue: first supermarkets will continue to expand aggressively, led by Watson and Dairy Farm. Second, as consumers purchase more and more non-food items from specialists, the big losers will be department stores that fail to innovate to keep their customers.

Watson's strength derives from its supermarket chain ParknShop, its chemist chain Watson's and its electrical goods chain Fortress. Watson's is owned by Hutchison Whampoa.

Dairy Farm, owned by Jardine Matheson, operates convenience stores, supermarkets called Wellcome and chemists called Mannings rivalling Watson's formats. It is also the franchisee of Ikea.

Japan

Company	Retail turnover 2003 (Y bn)	Outlets
Ito Yokado	2 916	16 996
Aeon	2 626	6 877
Daiei	1 499	2 252
Takashimaya	1 184	18
Uny	726	5 300

(1€ = Y 132)

In recent years, the Japanese retail market has been defined by the country's economic problems which have influenced consumer behaviour, government regulation and the policies of retailers. Deregulation has facilitated expansion including that of foreign retailers such as Wal-Mart and Carrefour as well as Metro and Costco. There

has also been an increase in concentration.

Total retail sales have been declining for several years. Market conditions have, however, benefited some: in particular deflation in land prices has allowed some to expand their store networks. This is the case of Ito Yokado and Aeon.

Those like Daiei who overspent during the economic bubble have struggled to stay afloat. Further, some like Ito Yokado are benefiting from the continued importance of convenience store shopping in spite of the decline in retail sales.

Malaysia

Company	Retail turnover 2003 (RM m)	Outlets
Dairy Farm	1 850	179
Jaya Jusco Stores	1 370	10
The Store Corp	1 130	38
Carrefour	890	7
Tesco	860	7

(1€ = RM 4.7)

The country's economy continues to improve and consumers' disposable income to increase. Although Malaysia is still dominated by small traditional convenience and neighbourhood stores, economic growth has encouraged both local and foreign retailers to introduce western-style stores, supermarkets, hypermarkets etc. Competition has become intense.

Prospects for the retail industry are positive and optimistic. Total retail sales are predicted to increase at a compound annual growth rate of between 6.5% and 7.4%.

Singapore

Company	Retail Turnover 2003 (S\$ m)	Outlets
Dairy Farm	1 591	366
NTUC Coop	1 380	135
Takashimaya	440	1
Robinson	342	17
Courts	209	15

(1€ = S\$ 2.1)

Singapore has been through a fairly gloomy period recently, partly because of the SARS outbreak. Total retail sales fell and the number of tourist arrivals in the state were also significantly down. Tourism forms a major source of consumer expenditure for local retailers.

Spending on food items has been increasing but sales from non-food retailers fell

11% in 2003. Other elements such as the increase in the Goods and Services Tax also contributed to dampen consumption. However, total retail sales are expected to increase over the next few years with greater consumer spending on non-food items, higher disposable income and improved living standards.

Dairy Farm is once again present among the top five retailers (as it is also in Hong Kong and Malaysia). The presence of the Japanese department store Takashimaya should also be noted at number three position thanks to its single department store.

South Korea

Company	Retail turnover 2003 (Won bn)	Outlets
LG Corp	7 449	2 566
Shinsegae	5 804	61
Lotte	3 330	51
Samsung Tesco	2 817	28
Samsung Cheil	2 086	217

(1€ = Won 1245)

Total retail sales in South Korea have been growing for several years although at a slower pace at present. Consolidation is continuing in most retail sectors and multiples are squeezing out independent individual-owned stores.

Home-grown retailers are expected to try to expand abroad as well as strengthen their domestic standing. The leading LG Corp. is a conglomerate with a sprawling network of specialist stores, food outlets and department stores. The leading pure play retailers are Shinsegae and Lotte.

Taiwan

Company	Retail turnover 2003 (NT\$ m)	Outlets
President Chain Store	77 057	3 367
Presicarre Corp	50 969	29
Shin Kong Mitsukoshi	44 060	10
Pacific Sogo	27 107	6
Taiwan Family Mart	24 802	1 452

(1€ = NT\$ 38.7)

Taiwan's retail sales have enjoyed relatively healthy growth in what has become a highly competitive market. The increased popularity of credit card purchases has helped boost retail sales. The country also enjoyed rapid growth

of new shopping centres and an oversupply of shopping centre space in 2003 saw significant pressure on the centres.

There is a trend towards consolidation of leading retailers. Independents still dominate total retail sales in 2003 with a share of 72.3% of current value. The leading conglomerate is Uni-President Enterprises with a 45.24% share of 7-Eleven, and a 40% share of Carrefour.

In spite of negative macroeconomic and political factors, retail sales are expected to remain steady and annual growth to pick up by the end of 2008.

Thailand

Company	Retail turnover 2003 (Baht m)	Outlets
Ek-Chai	57 040	48
Big C	40 700	41
Central Group	39 960	78
Siam Makro	39 500	23
Charoen Pokphand	32 300	2 640

(1€ = Baht 50.2)

Retail trade in Thailand represents over 43% of consumer expenditure. This is expected to rise further, the Thai economy having clearly recovered from the 1997 financial crisis. The period since then has been characterised by intense modernisation boosted by the presence of groups such as Tesco, Carrefour, Metro and Casino, specialty chains Boots and Watson's, as well as 7-Eleven convenience stores.

Local retailers have not remained unresponsive with major department stores such as Central, Robinson, and The Mall repositioning themselves and refurbishing their outlets.

The leading retailer Ek-Chai operates the Tesco stores, and Charoen Pokphand the 7-Eleven chain. It is a highly competitive environment, which is likely to intensify as the government continues to liberalise trade. Total retail sales are projected to grow significantly over the next five years, not least in non-food retail.

CHINA

■ Ito Yokado (Japan) continues expansion

The important convenience store group from Japan, Ito Yokado, has recently opened a new general merchandise store (GMS) in Beijing. The plan is to have ten such outlets in the city by the

2008 Olympic Games. Other locations are not at present being considered. The store, occupying almost 19 000 m², is the fifth of its type in the country and aims to be the flagship store of the group in the country.

Ito Yokado has also opened a number of 7-Eleven convenience stores and is cooperating with Wangfujing Department Store group to open fresh food supermarkets.

It has been announced separately that 7-Eleven Japan is to combine with its parent company Ito Yokado at a cost of \$ 13.6 billion. Ito-Yokado has said that the merger which also includes its smaller Denny's Japan restaurant unit, would improve management decision making. The merger will take effect on September 1st. Seven-Eleven operates more than 27 000 stores worldwide.

CZECH REPUBLIC

■ The irresistible rise of discount

The fast growing discount retail scene in the Czech Republic is dominated by German companies which are expanding at a rapid rate. The movement is similar to that characterising other eastern European countries according to an article in Business Week magazine.

Thus even foreign supermarkets and hypermarkets are suffering from the assault by discounters. The following comparison of market share between discounters Kaufland, Penny and Lidl and the hypermarkets of Ahold, and Tesco demonstrates the formers' strength.

Discounters	Hypermarkets
KAUFLAND	ALBERT
Schwarz group	Ahold
12.7%	5.9%
PENNY	HYPERNOVA
Rewe	Ahold
7.6%	4.4%
LIDL	TESCO
Schwarz group	Tesco
4.5%	3.7%

The large and secretive Schwarz group opened its first Lidl store in the Republic in 2003. A year and a half later it has 100 stores and a 4.5% market share. Its big box format, Kaufland, a sort of stripped down hypermarket, is the leading retailer in the Czech Republic. Although it is still a minor player in Poland, that country as well as Slovakia are targeted by the group. Poland is dominated by Biedronka, a partnership between Portugal's

Jeronimo Martins and UK's Tesco.

Against the wave of discounters stand the hypermarkets and supermarkets of say Ahold which operates 442 stores in Poland, the Czech Republic and Hungary with sales of \$ 2.2 billion in 2004, up 6% from the previous year. The business is still unprofitable however with losses from Ahold's central European business standing at \$ 70 million. The approach of hypermarkets is obviously different with their 17 000-strong items on offer as opposed to the 800 of Lidl.

FRANCE

■ New small city supermarket formats

Against the competition from discounters and others in city centres, some of the large supermarket and hypermarket retailers are revising their own formats, in particular by emphasising consistency, clarity, convenience and comfort.

Thus Intermarché has opened several Mag 3 stores. At the entrance, customers can find a number of services such as photocopying, a ticket agency or passport photo booths, as well as a continuously staffed information desk. The store is itself open from 8.30 am to 8 pm. The number of articles on offer has been reduced to 7 500 on selling space of 1 700 m². Some 60 brands out of 240 have been eliminated. According to management, too much choice kills choice.

Presentation is modern with bright colours intended to appeal to women who represent eight out of ten customers. Thus beauty and textile departments are situated at the front of the store. The new concept is expected to increase sales by 20% to 25%.

Monoprix, the variety and food store chain half owned by the Galeries Lafayette department store group, has also been inaugurating fresh concepts. It is complementing its town-centre Citymarchés Monoprix format with the Monop' neighbourhood/convenience format. This offers 4 500 items on 300 m², mostly its own brand ethical products and includes everyday dry goods, fresh food, a bakery and take-away service as well as a beauty department.

Services include the possibility of reading the daily press on site as well as a digital photo development service. The recent Daily Monop' idea based on the New York style take-away format and which did not meet with much success has thus been transformed and augmented. Some fifteen are

expected to open during the year.

Another format being tested in Angers is the HQE format of Monoprix (standing for Haute Qualité Environnementale, or High Environmental Quality) which will emphasise the organic and ethical ranges of the assortment.

With 2 200 m² of selling space, the HQE store will use 10% less water and 15% less energy for lighting and cooling; logistics, deliveries etc. are organised in such a way as to limit the effects on the surrounding area. The different elements of the store are explained to customers near the cash registers.

The pilot store is to serve as a test not only for the Monoprix group to evaluate the potential of rolling it out to the rest of the chain but also for the building industry. It is estimated that the construction costs are around 12% higher than the standard store.

■ LaSer (Galeries Lafayette) results

The financial arm of the Galeries Lafayette department store group publishes its results separately from the parent company. These results for 2004 have now appeared. LaSer (standing for Lafayette Services) is 90.99% owned by the Galeries Lafayette group and 9.01% by BNP Paribas bank.

Most of the LaSer activity is the Cofinoga card business which is 56% owned by LaSer and 44% owned by Cetelem. Cofinoga operates financial services, payment systems and insurance in France as well as abroad in Portugal, Italy, the Netherlands, Belgium, Poland, the UK, and Spain.

Cards lie at the heart of the LaSer business since they involve payment through partnerships, affinity or private cards, as well as loyalty and gift cards.

Key figures were as follows:

	€ million
<i>Cards & financial services</i>	743.8
<i>International</i>	319.8
<i>Loyalty & services</i>	87.5
<i>Other</i>	5.1
Total Sales	1 156.2
Operating profit	175.8
Net profit (part of group)	66.6

■ Sephora (LVMH) reassesses strategy

The perfume store chain Sephora has been repositioning its offer for a year now. Indeed, after a strong launch which attracted visits from other retailers all over the world, the group's performance declined. It has now abandoned the sales associates with the single black glove, and the somewhat distant and cold reception which were its trademarks.

The stores are now more welcoming, offering innovative services (such as manicure, hair removal etc.) as well as a loyalty card. Its small exclusive brands imported from the US are also making it a more trendy store. The pragmatic approach which now reigns is the result in part of a tougher competitive climate as well as of a series of problems with international expansion.

Thus, business in the USA has apparently produced losses up to € 150 million. The Japanese market which Sephora entered in 1999 was abandoned in 2001 after the opening of seven stores. And in the UK, the stores have been abandoned mainly because of the high cost of rent.

The 592 stores around the world are distributed as follows:

Country	Stores
France	190
Spain	18 + 2 stands in j.v.
Portugal	9
Italy	106
UK	9 (to close)
Poland	41
Czech Republic	5
Romania	4
Greece	50 (incl. 44 Beauty Shop) j.v.
USA	90
Russia	3 j.v.
China	1
Canada	1

Sales from France amount to € 500 million (around 45% of the total), in Europe € 800 million, and in the US € 360 million. In France where the group has a 20% market share, consideration is currently being given to the possibility of opening in smaller towns.

Sephora is becoming more cautious in its international ambitions and has opened one small store only in Shanghai on 250 m² as a test. Poland and the Czech Republic are performing well but the group does not want to rush into provincial cities where purchasing power is much lower.

In other countries, joint-ventures are

considered appropriate and are less risky: For example, in Greece, operations are run jointly with Marinopoulos. In Russia the partnership with Maxim Klimov is operating three stores currently with six more due by the end of 2005. Similarly with the department store group El Corte Inglés in Spain, Sephora has given itself the help of a major player in the market. There are currently 18 stores, and test shop-in-shops in two Madrid department stores of El Corte Inglés. The joint-venture solution is apparently causing the group to think again about the UK, but no details have been divulged so far.

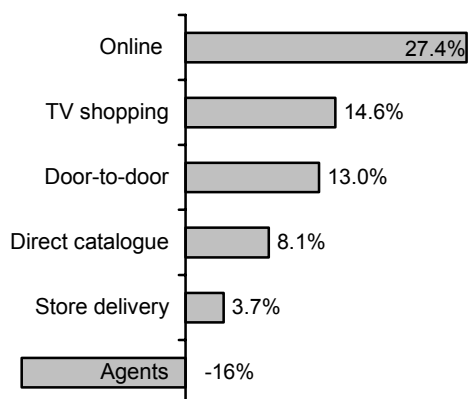
GREAT BRITAIN

■ Boom in online shopping

According to a report by Verdict Research, called "Home Delivery and Fulfilment", the various channels which used to be grouped under "mail order" and which result in customers receiving their purchases at home, increased in 2004 by 5.9% to reach £ 36.8 billion.

The fastest growing channel was online shopping as the chart below shows:

Increase in home delivery channels



Online delivery was worth around £ 5.2 billion, fast catching up with the direct catalogue business at £ 6.1 billion. Interestingly, the door-to-door delivery channel such as that made famous by Avon, Kleeneze and Betterware for example, resisted well and increased sales. The big loser was the traditional agent-based catalogue shopping, in which orders through a catalogue are consolidated by an "agent", usually a neighbourhood customer.

In terms of the type of consumers using these channels, Verdict found that the 55+ year old group increased its use of online shopping by 30% whereas the use of that channel by 15 to 34 year

olds decreased. The older group is also the highest spending one with an average of £ 527 per person online.

The most popular categories of goods purchased were books, music and video at the top of the list, accounting for 20% of home delivery sales, followed by electronics at 19%, and clothing and shoes in third place.

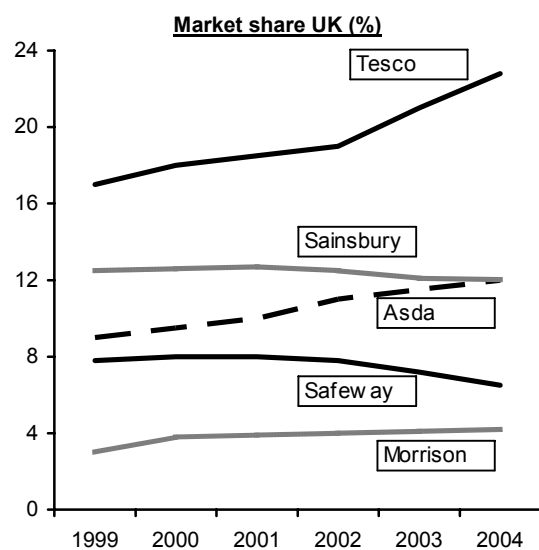
■ Tesco reaches £ 2 bn profit

It took Tesco 75 years to make £ 1 billion in pre-tax profits and just four to double that to £ 2 billion. Overall turnover increased in the past year to £ 37.1 billion, with sales in the UK making up £ 29.5 billion. Management cite the group's overseas expansion and moves into non-food areas such as CDs and clothes for boosting growth.

Tesco operates more than 2 300 stores in 13 countries, including a joint-venture in China. But sales growth in the UK rose 11.9%. Non-food sales were up 17%. The online operation of Tesco grew almost 52% to £ 36 million.

The size of the company has provoked some worries on the part of small retail representatives as well as environmental groups. However, the management of Tesco are adamant that they are tough but fair towards their suppliers, and that 90% of their customers have a choice between at least three retailers.

According to Verdict Research, the market share of the top UK supermarket operators are as follows:



■ Littlewoods closes Index operation

The Littlewoods retail activities started in 1937 when the first store opened in Blackpool. Fourteen years earlier, the late Sir John Moores had founded the Littlewoods football pools group which took bets on football match results. Littlewoods remained a family group until the betting or leisure part of the business was sold in 1999. In 2002, the retail operations were sold to the owners of the Ritz hotel and the Telegraph newspapers for £ 750 million.

These retail operations consisted of 119 Littlewoods variety stores as well as the large Index chain of catalogue shops founded in 1985. There are over 120 Index stores. Apparently Index has made a loss for 18 of the 20 years of its existence, accumulating to a total loss of £ 100 million.

Now most of the stores will be shut down. A small number will be acquired by GUS which operates the Argos chain of catalogue stores. The Index stores located inside Littlewoods stores will also be closed.

Some commentators are expecting the Littlewoods chain to be sold in the future.

GERMANY

■ Aldi tests off-price store

The famous discount retailer Aldi is testing a new format in Mannheim. Aldi Sud has opened a store called 1001 Gelegenheit (roughly translated as 1001 Bargains), in a residential district of the city. An existing Aldi store was moved to another site nearby and after standing empty for three months reopened as 1001 Gelegenheit on 700 m² of selling space, sharing parking with a neighbouring Lidl.

The format will be familiar to Aldi shoppers with customers encouraged to move anti-clockwise around the store. However, refrigerators and freezer cabinets have been removed to make space for the all non-food assortment. Large items such as appliances are stacked in the centre of the shop on pallets.

Prices are reduced by up to 70% of the original. Goods are delivered once a week and the store is open Monday to Friday from 10 am to 8 pm.

In the current ranking of textile retailers in Germany, Aldi (North and South) appear in sixth position with sales of € 1.4 billion from 3 870

stores. Aldi accounts for around 70% of clothes sold through discounters in the country.

■ QVC tele-shopping sales grow

The Television shopping channel QVC has multiplied its sales from € 11 million eight years ago to € 516 million in 2004 (with a 36% increase over the previous year). EBITDA was up by 65% over 2003 reaching € 74.6 million. The company created a web shop in 2002 which now has sales of € 31 million.

The business created in 1997 has also been increasing its proportion of sales in fashion and clothing. This now accounts for some 22% of total sales. QVC sells around 18 000 articles in total.

Logistics and call centre operations are credited with the increase in profits, although some € 35 million was invested this year. The total number of packages delivered during the year was 11 million with a daily high of 58 000.

Specialist observers estimate the total sales from the three largest TV retailers HSE24, QVC and RTL-Shop at some € 940 million, rising to € 1.5 billion by 2009.

■ Tchibo's new young fashion collection

The Tchibo group, which started life as a chain of coffee shops, is expanding yet further its low-price fashion clothing offer. A complete young fashion collection has been launched. It consists of around 40 articles priced at between € 4.99 and € 59.90.

Since the 1980s, Tchibo has been offering new fashion themes on average 25 times a year with 50 items for men, women, and children under the slogan "every week another world". Around 45% of the non-food offer is made up of clothing.

Total clothing sales of the group place it in eighth place among German clothes retailers with sales of € 1.1 billion.

■ Anson's new look in store

Anson's men's wear chain has opened its 18th store in Dortmund with its latest format on three floors and 2 100 m². There are two principal differences in the new format: the first is the "casualisation" of the assortment; the second is the flexibility of the presentation.

Rather than presenting clothes in the traditional groups, the store has differentiated formal and leisure areas with mixtures of brands in each, and including accessories appropriate to the areas. The store has also tried to avoid suppliers' own fixtures standing out from the general look of each area. A number of new brands have also been brought in. Anson's intends to stand as the number one store for men's wear.

In terms of the presentation of goods, the store is also keen to emphasise the visual attractiveness of the new model with, in its own words, fewer rows of sleeves facing the customer.

Anson's was founded in the early 1990s by Peek & Cloppenburg of Dusseldorf. It expanded fast at first but then abandoned some of its stores, notably in the Netherlands (three were taken over by the Bijenkorf department stores).

IRELAND

■ Superquinn readies for a fight

The famous supermarket operator Superquinn has taken measures to fight off increasing competition from discounters on the Irish market. A recent report from AC Nielsen forecasts that Aldi and Lidl will more than double their share of the € 7 billion Irish grocery market over the next two years. Superquinn has announced that it is to change its structure to bring in some financial muscle.

A new company, Select Retail Holdings has been created, backed by a group of private investors, which will acquire the entire share capital of Superquinn. The Quinn family will be an investor in Select and the founder of the Quinn family business will be its president. Another partner in Select will become executive chairman of Superquinn.

The group which has become world famous for its extraordinary customer service initiatives, has also been aware for some time of the importance of value and price to its customers, openly comparing basket prices with its rivals as a form of in-store promotion. It has recently extended its Euroshopper value range and launched its own brand Farm Value and Market Value ranges. It has also launched a smaller convenience format called Superquinn Select to differentiate itself from the discounters.

RUSSIA

■ Pyaterochka flotation in London

The largest Russian supermarket operator Pyaterochka has raised around £ 500 million through a flotation on the London Stock Exchange. It is understood that the two founders will not put their proceeds back into the business.

Pyaterochka is incorporated in the Netherlands and owns and operates 235 stores in Moscow and St Petersburg. It also controls more than 207 stores including stores in Ukraine and Kazakhstan. Revenues last year were up 46% to \$ 1.1 billion and reported net profits were \$ 74.4 million.

According to management, the group is planning to open between 50 and 60 stores a year. There is an opportunity for another 1 000 stores in Moscow and St Petersburg. Despite being market leader, Pyaterochka holds a less than 1% share of the Russian grocery market. Most Russians still buy their food in open markets. International retailers such as Metro and Auchan have only recently started to expand in Russia.

■ Dixons (UK) signs cautious deal

The UK electrical retailer Dixons has signed a cooperation agreement with Eldorado, the largest electrical retailer in Russia. The deal worth about \$ 1.9 billion, will allow Dixons to get to know the market before further commitment.

Under the agreement, Dixons has the exclusive right to take control of Eldorado in 2011. This right is however subject to Dixons exercising an option to acquire 10% of Eldorado before 2008.

The cautious nature of the agreement is in part a reflection of concerns over the relationship between the Russian corporate world and government. Thus the chief executive of BP recently met the Russian president to discuss the \$ 1 billion back tax bill faced by BP.

Initially Dixons will send members of its finance and buying team to work with Eldorado. If the deal comes to fruition, Dixons will acquire 100% of the Russian group but part of the payment will be held back until two years after Dixons takes control.

Eldorado has an estimated 22% market share in Russia with sales of \$ 2.4 billion from 280 own stores and 320 franchise stores.

TURKEY

■ New law to restrict retail development

Until now, any retailer who could acquire the land needed to build a retail development could do so with little difficulty. A draft bill is before the Turkish parliament imposing similar planning controls as exist in other European countries.

Consent will be required for any retail development over 400 m². Stores up to 3 000 m² will require consent from the local governor and stores of up to 15 000 m² will require the consent of both local governor and local authority. The real giants, over 15 000 m² will need to be referred to the Ministry of Trade and Industry in Ankara. Retailers, including the management of Turkey's largest retailer Migros, are protesting that these measures represent a threat to the future growth of the sector.

One of the largest developments will soon see the light. It is the 122 000 m² Sisli Cultural and Commercial Centre in Istanbul. Indeed, the retail landscape has been changing in Turkey. For the first time in 2003 more money was spent in the large stores than in the Bakkals, the traditional corner stores carrying everything from tobacco and confectionery to fresh fruit and vegetables.

Among these large retailers figure the usual foreigners who get more interested the greater the chance of Turkey joining the European Union. Thus Carrefour has been in the vanguard and now has 11 hypermarkets, 13 supermarkets and 82 Dia discount stores. Tesco is considering upping its involvement. It acquired the local Kipa in 2003 for \$ 163 million. It now has five hypermarkets. Metro of Germany has 16 stores under the Real and Cash & Carry formats and eight Praktiker DIY stores.

■ Ramenka announces expansion

The Ramenka group has announced that it is to expand significantly its operations in Russia. Ramenka is a joint-venture between Koc Holding, owner of the Migros retail group, and Enka, a construction company active in Russia.

Ramenka is to open eight new supermarkets during 2005 of which 5 will be in Moscow, one in St Petersburg and one in Samara. The group will invest some \$ 130 million during the year.

Ramenka has been present in Russia since 1997 with its Ramstore hypermarkets and

supermarkets. There are now 28 in total of which 24 in Moscow, one in Krasnoyarsk, one in Rostov, and one in Kazan. It has become the third largest retailer in Moscow. The largest project is the Ramstore City opened last December in the north west of the city.

USA

■ Barneys opens Co-op store in Chicago

The Barneys store chain, recently acquired by Jones Apparel (see RNL 529) has opened its seventh Co-op store. The young fashion format exists in New York, Miami, Atlanta, and Costa Mesa, California.

The Chicago store is on two floors in the Lincoln Park neighbourhood of the city, and offers all the current brands especially strong on denim. The store is the second venture of Barneys in Chicago since the company has been operating a flagship store on Oak Street for more than ten years.

Barneys has said that its eighth free-standing Co-op store would open this autumn at The Collection at Chevy Chase, Maryland. Very near Washington, it is considered the area's first true designer enclave.

■ Neiman Marcus sold

It was announced in RNL 532 that the luxury department store group Neiman Marcus was up for sale. Since then, the group has been acquired by two private equity groups in a deal worth \$ 5.1 billion.

The acquirers are Texas Pacific Group which has already invested in other retailers such as Debenhams of the UK and J Crew in the US; they have teamed up with Warburg Pincus to clinch the deal.

Neiman Marcus, known as a well-run company, operates 37 stores and is currently riding the upswing in the market for luxury goods. The price paid is estimated to be at the top of the market. TNS Financial Services says that the number of US households with a net worth above \$ 1 million increased by 33% to 8.2 million in 2004, the largest jump in the study's 23-year history.

Neiman Marcus built its reputation on delivering highly personalised service, targeted at

women aged between 45 and 65, with half its sales coming from customers who spend more than \$ 11 000 a year. The Christmas catalogue of the store has become an institution with last year's edition offering a home bowling alley for \$ 1.4 million.

founded in 1948 and its stores are located in smaller towns with populations of between 2 000 and 8 000 people. ShopKo is the second largest pharmacy in the country.

■ Women's preferred stores

Women's Wear Daily has published a list of the favourite stores of women 18 and older who shop most often for clothing at those store types.

The department store list is as follows:

Store	% who prefer shopping at
JC Penney	24.0 %
Kohl's	22.7 %
Sears	8.3 %
Macy's	6.7 %
Dillard's	6.4 %
Ross	5.0 %
Mervyn's	3.8 %
Bealls	3.5 %

The specialty store list includes three formats belonging to Charming Shoppes, the largest US plus-size retailer (Lane Bryant, Fashion Bug, and Catherine's).

Store	% who prefer shopping at
Old Navy	14.7 %
Lane Bryant	14.2 %
Fashion Bug	12.1 %
Catherine's	4.7 %
Avenue	3.6 %
Goody's	3.6 %
Cato	3.3 %
Gap	3.3 %

■ ShopKo acquired for \$ 1.05 billion

The discounter ShopKo has been acquired by a private equity firm and is to be taken off the stock exchange. The acquirer is an affiliate of Goldner Hawn Johnson & Morrison and the deal is worth \$ 1.05 billion.

ShopKo is a discount retailer with over \$ 3 billion of sales. It operates 140 ShopKo stores, 220 Pamida stores and three ShopKo Express Rx stores, a new neighbourhood drugstore concept. The company was founded in 1962 and focused on quality, convenience and value, combining health care service, eye care centres and large discount stores. In 1991, ShopKo became a publicly traded company. It acquired Pamida in 1999. Pamida was

CONFERENCES

■ **GDI First European Consumer Day: Generation Gold - Consumer Trends of an Aging Society**, 15 June 2005, Zurich, Switzerland

The "new old" as they are called are changing consumer and service markets. Over fifty, fit, active, well-off, attractive, they are not growing old as their parents did. An impressive panel of speakers from art, business, market research etc. debate the question of consumption and age in this packed and promising day event.

More information from: Gottlieb Duttweiler Institut, Langhaldenstrasse 21, PO Box 531, CH - 8803 Ruschlikon/Zurich, Switzerland. Tel: +41 44 724 61 11 - Fax: +41 44 724 62 55 - Website: www.gdi.ch.

■ **Retail Week - Retail Operations Summit 2005: Outstanding Operations**, 21 June 2005, London, UK

This meeting around the themes of people, productivity, service, measurement offers presentations from eight retailers and discussions of retail performance. The conference is followed the next day by a retail workshop.

Further information from: Retail Week, 151 Rosebery Avenue, London EC1R 4GB, UK. Tel: +44 20 7505 6044 - Fax: +44 20 7505 6001 - Website: www.retailops-summit.co.uk.

■ **10th China Retail Conference and Exhibition: The Retail Landscape in the Post-WTO Era**, 28-29 June 2005, Shanghai, China

The post-WTO era refers to the fact that on 11 December 2004 China abolished restrictions on market and capital admission for foreign retailers. The conference consists of two parts: the first about the relationship between Chinese and foreign retailers; the second is called a designers forum and covers exchange of new retail design ideas.

The event is supported by the EHI of Germany and Euroshop as well as by the Shanghai Economic Commission. Further information from website: www.crcexpo.com

RECENT PUBLICATION

■ **Mintel, Department Store Retailing Europe, 2005**

This comprehensive report from Mintel offers an honest and thorough overview of the state of department store retailing in Europe. In 2003, a worrying number of department stores posted lower sales than the previous year, and conditions showed little improvement in 2004. Weak economic conditions across the region have meant that price has become a more important factor for consumers. Some businesses, however have responded better than others.

The report lists the top department stores in Europe as Marks & Spencer (65 stores are counted internally as "department stores"), Karstadt, El Corte Ingls, Kaufhof, and John Lewis. Smaller players have often grown faster, like Fenwick or Harvey Nichols. But there are exceptions among the larger players such as El Corte Ingls and Debenhams.

The report examines the changing product mix as well as the own-label strategy which can sometimes provide a real point of differentiation. How department stores are chasing younger customers is also discussed.

Mintel forecasts a slight increase in sales in the overall market of the seven countries covered, but notes that the proposed downscaling of Karstadt in Germany is crucial to the predicted 12% drop in the German sector sales figure between 2004 and 2009. A fall in sales is also expected in the Netherlands which, although not hit as hard by the recession as Germany, nevertheless has long-term underperformer Vroom & Dreesmann to take into account. Ireland is expected to remain the fastest growing market followed by Spain and the UK.

This useful report offers broadly reliable figures on the economies of each country as well as their markets and a selection of major players.

IADS has negotiated a **10% discount** for all members and Retail News Letter readers when buying Mintel's report "Department Store Retailing in Europe", in its entirety or by market. (Offer available for one month.)

To purchase your copy or to find out more about the full scope of the report, please call Helen Henley on +44 (0)20 7606 6000 or email her at hhenley@mintel.com.

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