



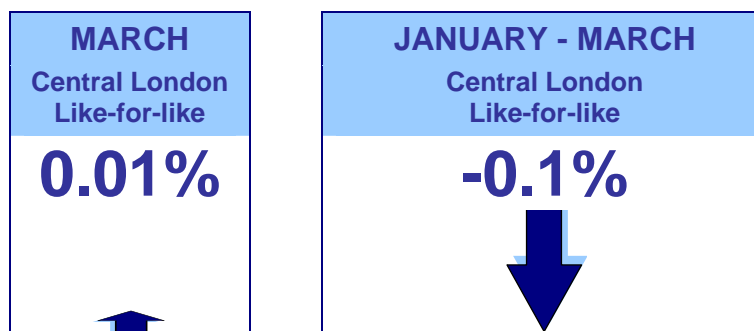
LONDON RETAIL SALES MONITOR MARCH 2005



For Immediate Release - 18 April 2005

LONDON RETAIL SALES FLAT

- Retail sales in Central London during March were 0.01% higher, on a like-for-like basis, than in March 2004, compared with a 0.4% fall in February. The sharp gain in March 2004 distorted the year-on-year comparison.
- The three-month trend rate of growth in March rose to a 0.1% decline from a 0.9% decrease in February for like-for-like sales in Central London.
- Footfall showed some growth, helped by Easter and some fine warm days: signature sales and instore restaurants benefited. There was some uplift in US visitor numbers and tourist spending, and sales to Middle Eastern visitors remained good.
- The upturn in London sales in March was much weaker than that seen in the UK as a whole. However, this partly reflected the strong London gain in March 2004, while UK growth slowed in March 2004.



Kevin Hawkins, LRC Director, comments:

"Retail sales growth in the Capital was largely flat for March and weaker than in the UK as a whole, but the London figures compare with March 2004, which saw a sharp rise following SARS and the Central line closure – both of which badly affected sales in March 2003.

"Many retailers did enjoy the usual Easter week boost, which lifted the figure out of February's negative territory, and this was helped by good weather, some discounting and the increase in visitor numbers and tourist spending. However, big-ticket items - especially furniture and electrical goods - continued to suffer in March, as consumers remain cautious about over spending and anxious about the threat of interest rate increases.

"There are some challenging times ahead for retailers all over the UK - and London is no exception."

Helen Dickinson, Head of Retail, KPMG, comments:

"This is the fourth consecutive month in which London has underperformed the rest of the UK. Admittedly, it was always going to be a challenge to grow like-for-like sales in March given the uplift of 8% seen in March 2004. So, despite the timing of Easter which should have boosted performance, an almost flat result is not a big surprise. However, it highlights the challenge retailers in the capital are facing as even this unremarkable result has only been achieved on the back of a holiday period and heavy promotional activity."

CENTRAL LONDON PERFORMANCE – MARCH 2005

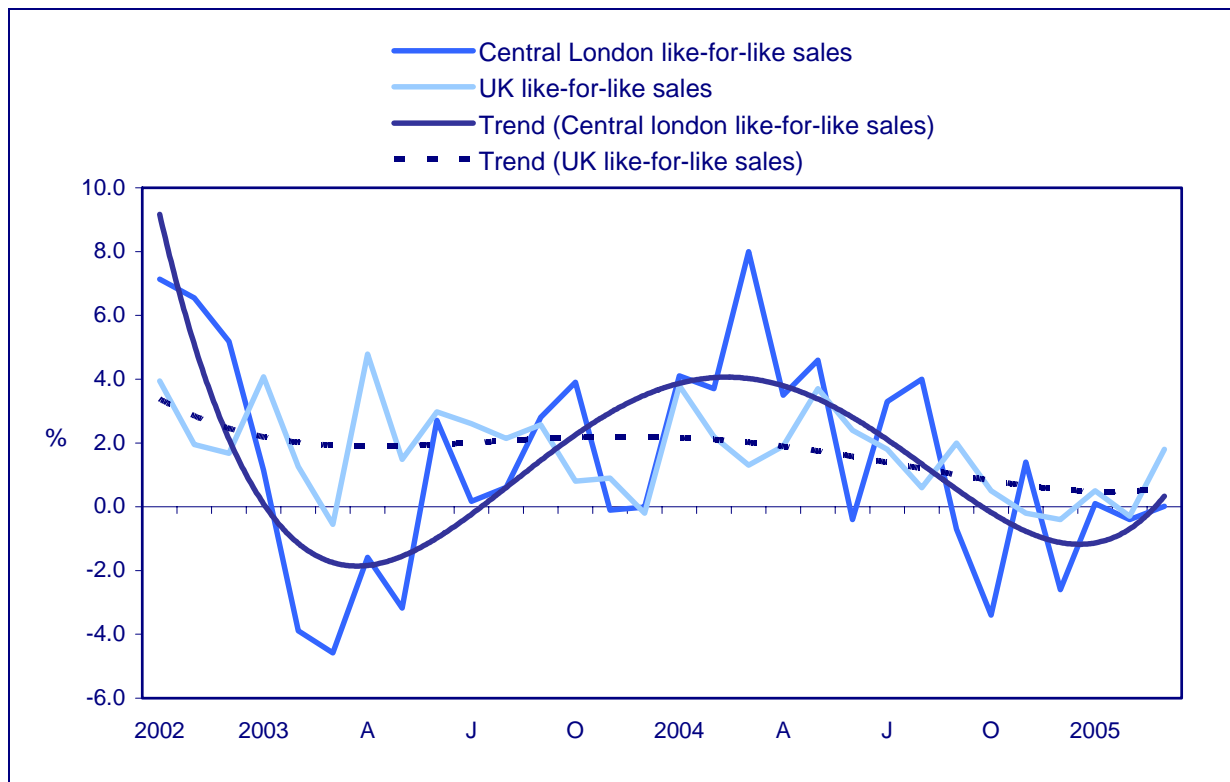
Joscelyne Hynard, Senior Analyst – Business Information Team

Retail sales in Central London during March showed a 0.01% year-on-year increase after a 0.4% fall in February from a 0.1% upturn in January. Trade was thus still much weaker than a year ago: sales in March 2004 had risen 8.0% from March 2003 when they were hit hard by the Central Line closure and fears about the Iraq war and SARS outbreak.

Easter and the warmer second half of the month boosted footfall and tourist spending, especially by United States and Middle Eastern visitors. This benefited signature sales and instore restaurants.

Sales were mixed with big-ticket items such as furniture and home electricals continuing to suffer, but smaller home accessories doing relatively better. The spring weather helped take-up of womenswear, especially younger designer ranges; shoes and sandals; and accessories and handbags. Food sales, notably confectionery, grew around Easter, and beauty products were popular around Mothers' Day.

% INCREASE YEAR-ON-YEAR IN RETAIL SALES VALUE



% INCREASE YEAR-ON-YEAR IN RETAIL SALES VALUE

	2003		2004		2005	
	Central London Like-for-like	UK Like-for-like	Central London Like-for-like	UK Like-for-like	Central London Like-for-like	UK Like-for-like
January	1.1	4.1	4.1	3.8	0.1	0.5
February	-3.9	1.3	3.7	2.2	-0.4	-0.3
March	-4.6	-0.5	8.0	1.3	0.01	1.8
April	-1.6	4.8	3.5	1.9		
May	-3.2	1.5	4.6	3.7		
June	2.7	3.0	-0.4	2.4		
July	0.2	2.6	3.3	1.8		
August	0.6	2.1	4.0	0.6		
September	2.8	2.6	-0.7	2.0		
October	3.9	0.8	-3.4	0.5		
November	-0.1	0.9	1.4	-0.2		
December	-0.01	-0.2	-2.6	-0.4		

MEDIA ENQUIRIES

LONDON RETAIL CONSORTIUM

21 Dartmouth Street
London SW1H 9BP
020 7854 8900
www.londonretail.org.uk

Kate Ison, 020 7854 8920
kate.ison@brc.org.uk

KPMG

8 Salisbury Square
London EC4Y 8BB
020 7311 1000
www.kpmg.co.uk

Simon Griffiths, 0121 232 3760
simon.m.griffiths@kpmg.co.uk

The March 2005 London RSM covers the five weeks from 27 February – 2 April 2005 and provides the most up-to-date reflection of recent retail performance in London.

The April 2005 London RSM will be published on 16 May 2005. The data is collected and collated for the BRC by KPMG.

NOTES

The London Retail Sales Monitor (LRSM) measures changes in the actual value of retail sales from a sample of retailers. The LRSM measures the value of spending and hence does not adjust for price changes. If prices are rising, sales volumes will increase by less than sales values. In times of price deflation, sales volumes will increase by more than sales values.

Retailers report the value of their sales and sales in the equivalent week a year ago. These figures are reported both in total and on a 'like-for-like' basis. The percentage increase in the value of sales on a 'like-for-like' basis removes the effect of the expansion of retail floorspace by the retailers concerned on their sales total. Due to the sample being biased towards large retailers, the 'like-for-like' increase usually provides a more accurate guide to general spending patterns, though it will be biased downwards as an estimate of the growth rate for retail as a whole.

Seasonal adjustment is not normally needed because the figures compare sales this month with the comparable period last year. However, changes in the timing of Bank Holidays and Easter can create distortions, which should be considered in the interpretation of the data.

In its role as administrator of the London Retail Sales Monitor, KPMG is responsible for the aggregation of the retail sales data provided by the retailers on a monthly basis. This data consists of the relevant current month's sales data and comparative sales figures for the same period in the prior year. The accuracy of the data is entirely the responsibility of the retailers providing it. The administrator role has been performed by KPMG since 2 November 2003. The commentary from KPMG is intended to be of general interest to readers but is not advice or a recommendation and should not be relied upon without first taking professional advice. Anyone choosing to rely on it does so at their own risk. KPMG will accept no responsibility or liability in connection with its administration of the LRSM and its aggregation work to any party other than the LRC and its parent company the BRC.

Central London does include the following areas: Oxford Street, New Oxford Street, Tottenham Court Road, Soho, Covent Garden, Knightsbridge, Kensington High Street and parts of Chelsea.

Greater London is everything within the M25 including Central London, please note that it **excludes** Bluewater and Lakeside.