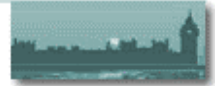




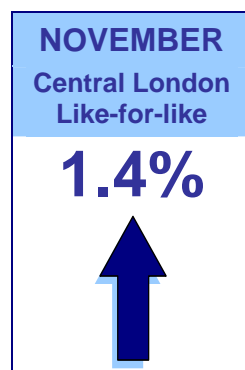
LONDON RETAIL SALES MONITOR NOVEMBER 2004



Strictly Embargoed until 9:00 hrs – 13 December 2004

NOVEMBER IMPROVEMENT FOR LONDON STORES

- Retail sales in Central London during November were 1.4% higher, on a like-for-like basis, than in November 2003 when sales fell back slightly after two good months. The better performance this November followed year-on-year declines in October and September.
- The three-month trend rate of growth in November fell to a 0.9% decrease from a marginal decline in October for like-for-like sales in Central London.
- Fewer American tourists and a slower growth in Middle Eastern visitor numbers hit sales of signature products. An increase in Russian and Australian visitors failed to make up the sales shortfall.
- London sales performed better than those in the UK as whole in November. Since June, when the poor 2003 figures (hit by the Central Line closure, Iraq war and SARS) fell out of the comparison, London has caught up with the UK, both averaging a 0.9% monthly gain.



David Southwell, LRC Director, comments:

"After two disappointing months for Central London retail sales, November's growth will come as a welcome boost to retailers in the run-up to the crucial Christmas trading period. Customers remain cautious - especially over big-ticket purchases amid concern over interest rates, pensions and the housing market, but London retailers will be encouraged at the possibility that Christmas spending will continue to build in the coming weeks. Nevertheless, the weakness of tourist spending is still a worry, especially given the persistent weakness of the US dollar.

Helen Dickinson, Head of Retail, KPMG, comments:

"A like for like growth figure of 1.4% for November is good news for central London particularly with the drop in American tourists and the weakness of the dollar. However, it has come at a cost to margins, being heavily influenced by promotions at some of the large stores and is also on the back of a weak November 2003 which was impacted by the Rugby World Cup and some very wet weather."

CENTRAL LONDON PERFORMANCE - NOVEMBER 2004

Joscelyne Hynard, Senior Analyst – Business Information Team

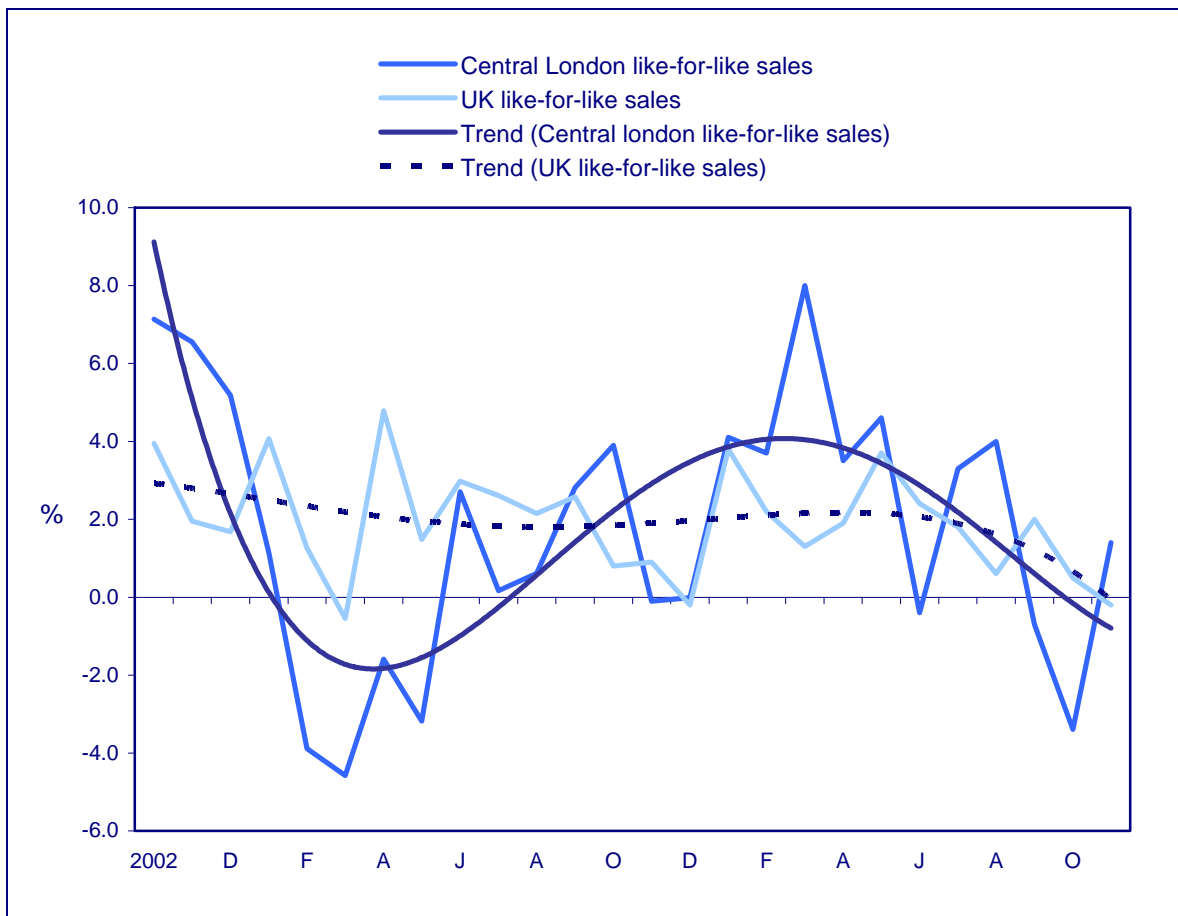
Retail sales in Central London during November showed a 1.4% year-on-year gain compared with the marginal decline in November 2003, and was much better than the 3.3% decrease in October, when the comparison was distorted by a strong year-earlier figure.

The weakness of US visitor numbers, as the dollar/sterling exchange rate fell further, and slower growth in Middle Eastern tourist numbers continued to hit sales. Signature sales struggled, thus encouraging promotions for some. However, more Russian, Australian and Turkish visitors compared with a year ago helped to compensate a little, and increased footfall boosted food and catering.

Childrenswear and womenswear – led by footwear, particularly boots – showed some good sales and beauty departments were also favoured. Homeware sales were difficult, especially larger purchases and sound and vision which faced competition from out-of-town retail parks.

Christmas and seasonal ranges were flat but with better take-up hoped for as demand builds nearer the holiday.

% INCREASE YEAR-ON-YEAR IN RETAIL SALES VALUE



% INCREASE YEAR-ON-YEAR IN RETAIL SALES VALUE

	2002		2003		2004	
	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
February	-	-	-3.9	1.3	3.7	2.2
March	-	-	-4.6	-0.5	8.0	1.3
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	7.1	3.9	3.9	0.8	-3.4	0.5
November	6.6	2.0	-0.1	0.9	1.4	-0.2
December	5.2	1.7	-0.01	-0.2		

MEDIA ENQUIRIES

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The November 2004 London RSM covers the four weeks from 31 October – 27 November 2004 and provides the most up-to-date reflection of recent retail performance in London.

The December 2004 London RSM will be published on 17 January 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.