Weekly News Review

Published by PMR Publications

Central Europe Retail Update

A prime source of market intelligence for retail professionals

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Companies in this issue:

Czech Republic

Retail news

Ikea sales up 7%

Ikea Czech Republic has reported sales of CZK 7.28bn (€281m) for the financial year ending on 31 August 2009. The figures, which are a combination of sales from both the company's stores and accompanying restaurants, are up by 7% comparing to the previous financial year. During the period in question, Ikea stores reported sales of CZK 6.92bn (€265m), up 6.6% from the previous year. Sales generated by Ikea restaurants totalled CZK 361m (€13.9m) – a year-on-year increase of 13.4%. Ikea stores in the Czech Republic were visited by 10 million customers, while restaurants served 4 million customers during the period in question.

The company has not disclosed information on net profits or net losses, according to *Moderni Obchod*.

Tesco to open 30 next stores in the Czech Republic

British **Tesco** announced plans to open another 30 stores this year in the Czech Republic and employ over 1,000 workers, according to information agency Mediafax. In 2009 the company opened 21 stores in the country and thus created 765 new workplaces.

Tesco entered the Czech Republic in 1996 and currently operates 133 stores, six shopping centres and 18 fuel stations.

Supplier news

OP Prostejov fights to maintain profitability

The Czech clothing producer and retailer **OP Prostejov** plans to close one-third of its 100 stores in order to maintain the profitability of the business. According to *Hospodarske Noviny*, the company conducted an audit of its network, which revealed that only 30 of its stores are currently profitable. By the end of 2010 OP Prostejov wants to operate 65-75 stores.

Moreover, the company agreed with employees on the temporary reduction of working hours. Company introduced a four-day work week until the end of February. The measures were taken in order to prevent the workforce reduction.

According to preliminary estimates, the company generated revenues of CZK 1.3bn (€50.2m) in 2009 while losses for the same period amounted to CZK 400m (€15.3m). The company currently has outstanding debts of CZK 1.2bn (€46.3m).

Stock Plzen-Bozkov records sales increase despite the crisis

The Czech producer of spirits **Stock Plzen-Bozkov** has reported a 5% year-on-year increase in sales for 2009, reported *Hospodarske Noviny*. The company sold combined 28 million litres of its most famous brand Stock Fernet as well as vodka, tuzemak and other spirits.

The company has been present on the Czech market for more than 80 years.

Hungary

Market news

Consumer confidence unchanged in Hungary

The Consumer Confidence Index (CCI) in Hungary remained unchanged at the end of 2009. At 146.1 in December 2009, this was the same level as that which was recorded in June 2009.

The level of the Purchasing Propensity Index (PPI) has fluctuated wildly since the onset of the financial crisis, however, the last couple of months appear to have brought with them a semblance of stability with the PPI settling at 112.8 points in December 2009. The PPI did not increase during the Christmas period, which indicates the cautiousness of Hungarian consumers and their inclination to cut back on spending.

The majority of Hungarians (59%) expected their employment situation to worsen starting from December 2009, with only one-quarter expecting unemployment to stabilise in the near future.

One in three consumers expects prices to rise more rapidly than their salaries.

Retail news

KiK fined for unfair business practices

The Hungarian subsidiary of the German textile and non-food retailer **KiK** has been fined by the GVH, Hungary's competition watchdog, reported *Vilaggazdasag*.

The GVH ruled that the company had misled customers by claiming in its promotional material that it was the market leader in Hungary and that its prices were the lowest. Unable to provide adequate proof to support these statements, KiK has been ordered to pay a fine of HUF 1m (€3,700).

Alphapark to open shopping centre in Keszthely

In March 2010 the Austrian majority-owned shopping centre chain **Alphapark** is to launch its second unit in Hungary in Keszthely, on Lake Balaton. The project represents an investment of HUF 2.2bn (€8.3m). The shopping centre will have 15,000 m^2 of retail space, of which 6,000 m^2 is to be occupied by an Obi DIY store. Nearly 90% of the total retail space has already been leased.

Alphapark opened its first shopping centre in Hungary in Sopron at the end of 2007.

ING sells half of Budapest Allee plaza for €100m

The developer ING Real Estate Development (ING) has decided to sell half of the recently opened Allee shopping mall in Budapest to Allianz Real Estate Germany in a deal worth around €100m, reported MTI. ING is to retain ownership of the remaining half of the development and will continue to be responsible for all aspects of the property's management.

The Allee shopping mall was opened in November 2009. The complex comprises 47,000 m^2 of retail and entertainment space and also features 7,000 m^2 of office space.

Supplier news

Bosch to move production from Wales to Hungary

In 2011 the **Robert Bosch** industrial group plans to close down its car parts plant in Wales and transfer its production operations to Hungary, reported MTI. Several hundred new jobs are to be created in the company's existing Hungarian factories in Miskolc and Hatvan. At present, Bosch employs approximately 7,000 staff in Hungary.

The decision is a cost-cutting measure and represents a reaction to a 45% decline in alternator sales experienced by the company last year, as well as an operating loss and the prevalent deterioration of the car market. The world's biggest automotive industry supplier, Bosch currently employs 900 workers at its plant near Cardiff.

Palinka consumption on the rise

In 2009 consumption of palinka, the traditional Hungarian fruit brandy, increased by 20% year on year. On average, Hungarians consume 3-3.5 litres of pure alcohol yearly.

According to data released by the Ministry of Agriculture and Rural Development (FVM), up to 5 million litres of palinka are produced by authorised distillers while just 1.5 million litres are produced for commercial use.

According to FVM this increase in the sales volume of palinka is attributable to the fact that the product was granted 'protected designation of origin' status by the European Commission, thus placing it alongside other national popular spirits such as Greek ouzo or Italian grappa.

Teva to invest €65m

Teva, the world's largest generic drug producer, has commenced a €65m investment project to expand its production base in Godollo, near Budapest.

The first phase of the investment will be completed by 2011 and the entire project is scheduled to be concluded by the end of 2014, according to Lajos Hegedus, CEO of Teva Hungary.

Completion of the first phase of the project will increase the company's production capacity by 30 million units, a figure two times the plant's current capacity'. The expansion will create 260 new jobs.

Teva's plant in Godollo generated revenues of more than HUF 100bn (€372.7m) in 2008, the last year for which data are available.

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Poland

Market news

Reduction in Polish food exports in 2009

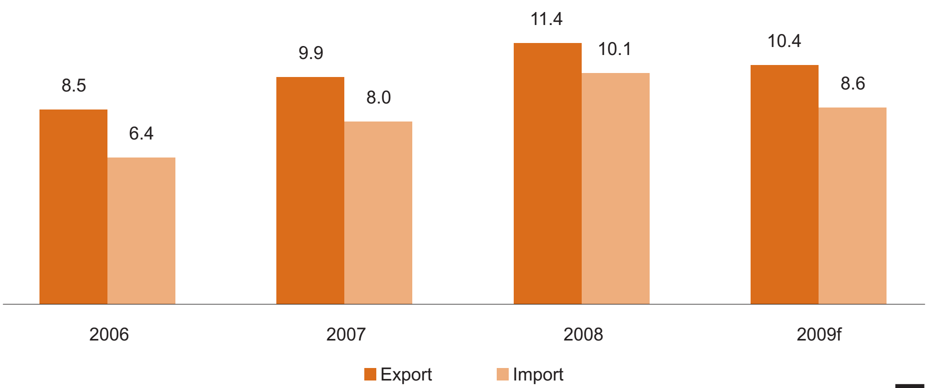
In 2009, exports of Polish foodstuffs underwent a decline for the first time since Poland entered the European Union. According to the Institute of Agricultural and Food Economics (IERiGZ), exports were worth around €10.4bn, reflecting a 9% year-on-year reduction in comparison with 2008. During this period, the most substantial fall in exports (25%) could have been reported by the dairy processing market.

Furthermore, the first half of 2010 is expected to bring a further reduction, of around 2.5%, in foreign sales in comparison with H1 2009, to €5.2bn. The main reasons for this are the lower prices on the global markets and a reduction in demand on the foreign markets resulting from the economic downturn.

By way of example, foreign sales to Germany and Great Britain declined by 15% and 13% year on year respectively in 2009. The European Union is the main market for Polish food producers, and accounted for 80% of the foreign sales of Polish goods in 2009.

Germany, Great Britain and the Czech Republic are the most important buyers of Polish goods, and outside the EU, the main market for Polish foodstuffs is Russia.

Value of the Polish foodstuffs export and import, (€ bn), 2006-2009



f- forecast
Source: IERiGZ 2009

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Polish purchasing power below European average

The average European citizen spends €11,700 per annum on goods and services, whereas Polish consumers spend only 39.7% of this, which is €4,650 per capita per year, according to a recent survey prepared by GfK Polonia.

The residents of the largest Polish cities have the greatest purchasing power. Warsaw boasts the highest figure in Poland: the average resident there spends €7,800 per year, the equivalent of 66.7% of European purchasing power. Conversely, the residents of the Brzozowski poviat in the Podkarpackie voivodship have the most limited spending power, of around €3,000, which is 26% of the European average.

The nations with the greatest purchasing power in Europe include Luxembourg (€50,800), France (€18,800), Sweden (€14,500) and Great Britain (€14,200). Moldova reports the most modest annual spending on goods and services, with a figure of €1,220.

Retail news

Australian PE firm buys into Polish shopping malls

MGPA, a private equity fund owned by Australia's Macquarie Group, agreed to invest €236m in three shopping centres in Poland. The deal reflects MGPA's expectation that the

The increase in the unemployment rate and reduction in real average monthly wages prompted caution in planning of the household spending. The unemployment rate increased to 11.4% in November 2009, from 9.1% at the corresponding month of the previous year, after numerous redundancies, mainly in industry, trade and construction. Furthermore, despite the nominal increase in wages, there was a 1.5% year-on-year reduction in real average monthly wages after Q3 2009. This made people save money.

If one compares Poland with Luxemburg, it can be seen that the significant difference mainly reflects the fact that Luxemburg is one of the most affluent countries in Europe. The economic downturn seems to have little relevance to the differences between the two countries in terms of per capita expenditure, as Poland, with the only positive GDP growth among all of the EU countries, seems to be less severely affected by the crisis than any other. In Q3 2009, year-on-year GDP growth was 1%, in comparison with the corresponding period of the previous year, according to Eurostat. According to our calculations, total GDP came to 1.5% year on year at the end of 2009. However, there was a 2.6% reduction in GDP in Luxemburg in the third quarter of 2009.

Paulina Burzawa, Business Editor, PMR Publications

Polish economy will expand at a faster rate than the rest of Europe.

As part of the transaction, the Australian fund – which invests in the real estate sector – paid €187m for two shopping centres, Karolinka and Pogoria, located in the Silesia region near the German and Czech Republic borders. In addition, MGPA negotiated a three month call option to buy another shopping centre, located in northern Poland, which has the potential for a further 22,000 m² extension creating a total of 44,000 m².

The seller is Mayland Real Estate, a joint venture of Goldman Sachs and Casino Group.

New shopping centre being considered for Szczecin

To Tu-Rzyn, an umbrella organisation for Szczecin retailers, is planning to build a shopping centre on the site of the market place where they operate. The complex will consist of a four-storey building, a covered market place and a car park. The centre is to take up 9,000 m², of which 5,500 m² will be a building with a bowling alley, bars, restaurants, a sauna and a fitness club. The market hall will occupy around 3,500 m².

The project is thought to be worth PLN 60m (€14.7m). The construction work is scheduled to last around three years. At present, the retailers are waiting for the local authorities to approve the project.

Vistula to focus on development of W.Kruk

The **Vistula Group**, the operator of the **Vistula**, **Wolczanka**, **W.Kruk** and **Deni Cler** chains, is planning to spend up to PLN 5m (€1.2m) on the development of its networks, according to *Puls Biznesu*. The company plans to set up around 15 new establishments in 2010, of which most will be under the W.Kruk name and will sell jewellery. Furthermore, the group intends to introduce the Tiffany brand to its jewellery stores or sell the brand in its mono-stores, i.e. shops selling only this brand.

In 2010 Vistula intends to focus on organic growth, rather than acquisitions. However, the group's management emphasises that it will not limit its spending on marketing.

In the first three quarters of 2009 the company made a net profit of PLN 9.6m (€2.4m). According to previous estimates, the group was expected to have made a net profit of around PLN 10m (€2.5m) in 2009.

Dominium expanding on foreign markets

The **Dominium** pizza chain intends to expand on the foreign markets. By the end of 2010 several of the company's establishments are to appear on the Russian and Ukrainian markets. Dominium is planning to open its own outlets and to launch a franchise model. The latter system will allow the company to reduce costs and to speed up development. In Poland, Dominium also develops its chain mainly through a franchise system.

The chain will raise the money needed for investments on the stock exchange. Its debut is scheduled for the second half of 2010 or the first half of 2011.

At present, Dominium manages around 60 establishments, of which four are located abroad, in Lithuania, Ireland and Romania.

Supplier news

Kompania Piwowarska a prominent contributor to Polish economy

Kompania Piwowarska (KP), the largest brewery in Poland, which belongs to the **SABMiller** group, generated €1.14bn of government revenues, according to a recent report prepared by Ernst & Young and Regioplan Policy Research, based on the financial year which ended on 31 March 2009. €351m was generated in excise duty, whereas VAT from sales of beer sold via the retail channel and at public dining facilities came to €444m. Another €287m came from social security contributions and personal income tax paid by KP and supply chain employees.

Almost 68,000 people are directly or indirectly employed in the production or sales of the Kompania Piwowarska beer.

The restaurant business accounts for 13% of the sales of KP's annual beer production, whereas 87% of its beer is sold in the retail industry.

Decline in beer market continues in 2010

It is estimated that spending on beer will fall by 5% to PLN 20bn (€4.9bn) in Poland in 2010, according to Euromonitor. Demand for beer is also expected to continue to decline in 2011, when it is to reach PLN 19.7bn (€4.8m). In addition, in terms of volume there is to be a 4% reduction in beer consumption in 2010 and a 1.3% reduction in 2011.

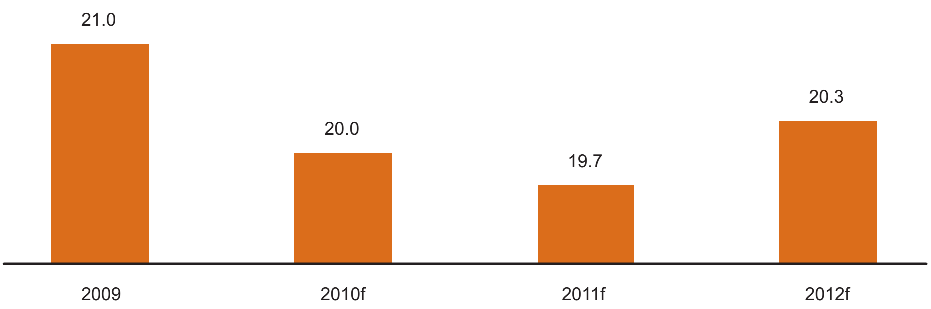
As a result of the 13.6% increase in excise duty on beer in March 2009, market saturation, cold summer, and, in general, negative economic situation, demand for beer declined by 8% in 2009, and the first half of 2009 saw the weakest sales since 1989, worth 12.5% less than those of H1 2008, as Danuta Gut of the Union of the Brewing Industry Employers in Poland Browary Polskie (ZPPP Browary Polskie) told *Retail Update Poland*. On average, Poles drink 92 litres of beer every year, which leaves Poland in third place in Europe, after Germany and the Czech Republic. However, only 87 litres per capita were consumed in 2009.

According to preliminary estimates, the largest beer producers that control some 90%

We already know that 2009 brought a drop in beer sales in Poland. We estimate the decline at as much as 5-7%. I can safely say that forecasting the level of sales in the current year and next has not been so hard in years. The year 2010 will be a difficult one for the industry, so a bottoming out of the downward trend would be welcomed as a success.
It should be noted that weather conditions – in addition to macroeconomic factors, fiscal policy and potential restrictions on marketing communications with adult consumers – may have a significant impact on the level of beer consumption. Without a doubt, an extended period of good weather (May-October) could drive sales higher.

Danuta Gut, Director of the Management Board Office – ZPPP Browary Polskie

Value of the Polish beer market (PLN bn), 2009-2012



f - forecast
Source: Euromonitor International, 2009

of the beer market in Poland, **Kompania Piwowarska, Grupa Zywiec** and **Carlsberg Polska,** reported reductions in turnover in 2009. At the same time, the regional and small breweries which produce natural and flavoured beers reported an increase in sales, as they offer niche products on the Polish market. By way of example, producers such as Ciechan, Jagiello and Van Pur reported increases in sales in 2009.

Polish dairies to work on market consolidation in 2010

In 2010, the dairy market in Poland is expected to grow by 4% to PLN 13.3bn (€3.3bn). The main milk producers are, therefore, planning further development and acquisitions, according to *Rzeczposolita*. The **Polmlek** dairy, which manages the popular Warmia brand, intends to take over a company earning annual revenues of PLN 150m (€36.8m). The transaction could be completed by the end of February 2010. The company is also negotiating with another three dairy cooperatives with regard to acquisitions.

In addition, the **Lowicz** dairy is negotiating on takeovers. The producer is interested mainly in acquiring companies from the Lodzkie, Mazowieckie, Kujawsko-Pomorskie and Wielkopolskie voivodships, i.e., in the region in which Lowicz is already present.

Spomlek, another producer of milk preserves, intends to take over at least one dairy in 2010. The company is interested in acquiring a producer which specialises in the manufacture of cheese. The transaction could be completed in the second half of this year. Regardless of the acquisition negotiations, Spomlek plans to increase its sales revenues by 20% in 2010. In 2009, the company turned over PLN 290m (€71m), a 13% year-on-year increase.

However, dairies such as **Ostroleka**, **Piatnica** and **Mlekovita** intend to focus on organic growth and investment in the development of production.

Romania

Retail news

Metro ends 2009 with 10% market share in Romania

At the end of 2009 the German retail group **Metro Group** accounted for 10% of the Romanian retail market, which is estimated to be worth €20bn. The company reported sales of over €2bn from its 48 stores in Romania (24 of them Metro Cash & Carry and 24 Real supermarkets), according to estimates from *Ziarul Financiar*.

In 2009 Metro opened four new Real supermarkets. Its Real supermarket division in Romania is estimated to have generated sales revenues of over €800m last year.

For 2009, Metro Group reported a 13% year-on-year decline in sales in Eastern Europe.

Delhaize to expand Red Market network

The Belgian retail group **Delhaize**, the operator of the **Mega Image** supermarket chain in Romania, plans to expand its **Red Market** discount store chain to a total of 200 outlets within the next few years. The company has earmarked a total budget of more than €200m for this project based on the assumption that the launch of one Red Market discount store will require an investment of about €1m. The chain first appeared in Romania in December 2009.

Delhaize has not discounted the possibility of acquisitions this year. The last acquisition completed by the company was in 2009, when Delhaize purchased four **Prodas** supermarkets in Bucharest for €6m. These stores generate annual sales of €12m.

Delhaize also plans to build a new logistics centre in the town of Popesti-Leordeni close to Bucharest. Scheduled for completion in 2011, this will be the company's third logistics centre in Romania.

Kaufland to open 5-6 new stores in smaller settlements

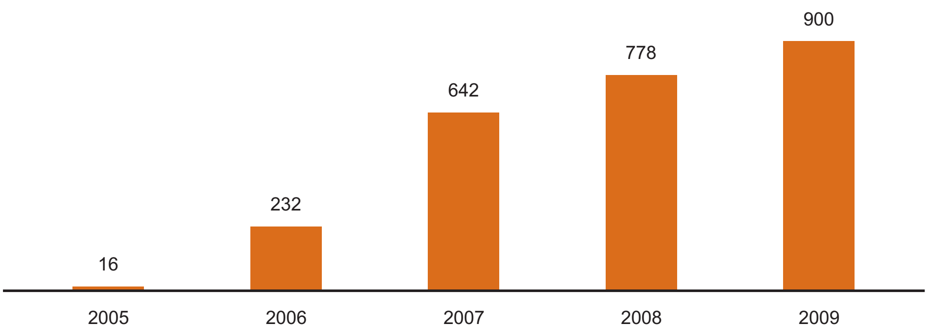
The hypermarket retail chain **Kaufland** plans to invest about €50m in opening five or six new stores in Q1 2010. For comparison's sake, Kaufland invested a similar amount in the whole of 2009.

The first stores are to be opened in Medias, Botosani and Mioveni. Kaufland is the first hypermarket chain in Romania to target towns and cities with populations of 25,000-40,000. Its main competitors on the market, **Carrefour**, **Real**, **Auchan** and **Cora**, operate solely in cities with more than 100,000 inhabitants.

In 2009 Kaufland was granted a loan of €150m from the European Bank for Reconstruction and Development (EBRD) for its expansion projects in Romania and Bulgaria. These projects are expected to cost a total of €300m.

Owned by the **Schwartz** group, Kaufland entered Romania in 2005. At present, the retailer has 45 stores in the country. These stores range in the size of trading area from 3,000 m² to 5,000 m² each.

Kaufland's turnover (€ m) in Romania, 2005-2009



e – estimate from Ziarul Financiar
Source: Kaufland, 2010

Cora and Real plan new openings in Bucharest in H1 2010

In H1 2010 the hypermarket chains **Cora** and **Real** plan to open new outlets only in Bucharest. In February Cora plans to open a new store in the Sun Plaza shopping centre in Bucharest in an investment estimated at €30m by *Ziarul Financiar*. Real expects to complete the construction of its new hypermarket in south-east Bucharest in April 2010 – an investment of €20m.

In 2009 hypermarket chains in Romania opened 13 new stores, half the number of outlets opened in the previous year.

C&A to open two new stores in Romania in 2010

After one year of operating in Romania, the German clothing retailer **C&A** plans to open two new stores in the country in Q1 2010. One will be located in the Sun Plaza shopping centre in Bucharest while the other is to be located in the Atrium shopping centre in Arad. The average area of a C&A outlet is 2,000 m² and the units typically employ 20 people.

C&A management expects that the prevalent uncertainty on the Romanian fashion market will continue this year, with weakened purchasing power and the euro/RON exchange rate fluctuations being identified as the two main threats. The company forecasts that demand for clothing will not begin to grow again before Q2 2010.

Part of the **Cofra** group**,** C&A currently operates three stores in Romania: in the Militari shopping centre, AFI Palace Cotroceni (both in Bucharest) and in the Aurora Mall (Buzau).

Ikea sales fall by 9% in 2009

Sales generated by the **Ikea** store in Bucharest fell to RON 349.24m (€82.5m) in 2009, a decline of 9% compared to the previous year.

The number of visitors to the Bucharest store, the only outlet the company runs in the country, reached 2.52 million in 2009 and this translated into sales of over 10 million products. Furniture items accounted for 60% of Ikea's total sales in 2009, while accessories and decorations accounted for the remaining 40%.

According to data from the company, in terms of sales volume, the store in Bucharest was one of the top three Ikea stores worldwide last year.

Lemet turnover down in 2009

The furniture store chain **Lem's** reported a turnover of RON 72.6m (€17.3m) in the first 11 months of 2009, a year-on-year decline of 22%. The 78-store chain is a franchise of the Campina-based furniture manufacturer **Lemet**. For the whole of 2009, Lemet is expected to have generated a turnover of RON 62m (€14.7m) while, for Lem's, this figure is likely to be around RON 80m (€19m).

In December 2009 Lemet began the construction of a new 2,500 m² industrial hall, which is expected to be completed by July 2010.

The largest players on the Romanian furniture market are **Mobexpert, Ikea, Elvila, Italsofa, Sortilemn, Silvarom, Alprom**. Sales, in volume terms, on the Romanian furniture market are expected to decline by 5% in 2010, following a year-on-year decline of 15% in 2009, according to estimates from the market gathered by *Ziarul Financiar*. In value terms, the market is forecast to generate sales of €910m in 2010.

Zass Proteus sees turnover drop in 2009

The Romanian brown and white goods retailer **Zass Proteus** has reported a year-on-year decline in revenue of 40% for 2009. The company expects Q1 2010 sales to be similar to those recorded in the same period in 2002, that is €6.7m.

The 2009 drop in revenue represents a reversal of fortune after strong performances in recent years. The retailer recorded a year-on-year increase of more than 40% to €19m in 2005, and, after a slight deterioration in 2006, Zass Proteus saw its sales figures recover and reach €20m in 2007.

In 2009 the company closed down seven stores accounting for a total combined area of 2,500 m². At present, Zass Proteus operates 28 outlets in Romania, totalling 8,000 m² in GLA.

The retailer wants to open some smaller stores this year in Timisoara, Cluj, Satu Mare and Oradea.

Supplier news

Heineken Romania shuts down Hateg brewery

Heineken Romania, the country's second-largest brewer, has decided to shut down its **Hateg** brewery, a decision that will result in 98 lay-offs.

Production previously taking place at the Hateg brewery is to be transferred to Heineken's other production units in Miercurea Ciuc, Targu Mures, Craiova and Constanta.

According to the company's representatives, the 98 staff that will be made redundant are to receive severance pay and re-training. Furthermore, the company plans to open a professional requalification centre, where those people who have lost their jobs will receive professional assistance with their future careers.

At present, Heineken has four production units in Romania and employs 1,100 people in the country.

Tarnava Sighisoara expects revenue growth in 2010

After a 25% decline in 2009, the Romanian clothing manufacturer **Tarnava Sighisoara** expects its revenue to increase by 5% in 2010 to RON 9.5m (€2.2m). The company's revenue in 2009 amounted to RON 9m (€2.1m).

This year's anticipated revenue growth is to result from the company's expansion on both the domestic market and abroad. The growth in export sales stems from Tarnava's expectation that the European economy will expand at a faster rate than in Romania. Tarnava exports its products for clients such as Hauber, Wappen Fashion, Benetton and Retro Clothing. On the domestic market, the company's expansion plans include the possible opening of a new store in Bucharest in 2010.

Tarnava's monthly production capacity is 40,000 units. The company is owned by approximately 1,600 individual shareholders.

Murfatlar Romania uses assets to secure loan

Murfatlar Romania, one of the largest producers of wine in Romania, has decided to use its entire wine collection to guarantee a €2.5m loan obtained by one of its subsidiaries, the distributor **United Euro Distributions**. The Murfatlar wine collection comprises 438,922 bottles of wine and is valued at €10.3m, according to the *Official Gazette*. Its value has grown over the past three years from €8.9m.

United Euro Distributions, a distributor of Murfatlar products, is to obtain the loan from **OTP Bank** with repayment due within five years.

Murfatlar also plans to contract a loan of €500,000 from the same bank with repayment due five years later. The 141,237 ha of the company's land and the vineyards on it are to be used as collateral for the loan.

The company has not specified exactly what the borrowed funds will be used for. Murfatlar expected its 2009 revenue to be 5% higher than the RON 170m (€41m) reported for the previous year.

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Slovakia

Market news

Stabilisation of rents to bring recovery to Slovak retail real estate sector

The current demise of the retail real estate sector in Slovakia is expected come to an end in the first half of 2010. Rents are expected to stop declining and delayed retail projects are forecast to be completed this year, which will result in the expansion in the retail market in the country, according to market consultants surveyed by *Hospodarske Noviny*. Moreover, the market revival will also be driven by the growth of the Slovak GDP, which has been forecasted by IMF.

According to estimates from CB Richard Ellis, rents in shopping centres vary between €14 and €16 per m². They can be as high as €20/m² in larger cities such as Kosice and €35/m² in Bratislava. The stabilisation of rents is expected to accelerate the current slumbering pace of new construction and boost demand for attractive locations from international and local retail chains.

Price of cereals to increase in Slovakia in Q1 2010

The market price of cereals is expected to rise over the next several months, according to forecasts from the commodities exchange in Bratislava. The highest increase is expected to be recorded for fodder corn, the price of which is predicted to rise by 8.2% over the next three months to €108.5 per metric tonne. Price rises are also expected for alimentary wheat, which is forecast to increase over the same period by 6.5% to an average of €112.02 per metric tonne. Price stagnation during the first quarter of the year is expected for alimentary corn, rye and barley.

Retail News

70 new outlets to appear on Slovak retail market in 2010

A total of 70 new outlets are expected to be opened in Slovakia in 2010 after a major slowdown in the launch of new stores last year, according to Terno, a market research company.

Besides **Tesco**, which plans to open 15 new outlets this year (see the news brief “Tesco plans to launch 15 new stores in Slovakia in 2010”), the retail chain **COOP Jednota** aims to open 40 new stores. Meanwhile, Billa plans to open at least six new stores in 2010 and Kaufland has plans to add a further 12 new outlets to its existing network.

According to analysts from the real estate consultancy Cushman & Wakefield, Slovakia is now arriving at the level of development reached by the retail sector in the Czech Republic in 2007-2009. Developments on the Slovak market typically mirror those of the Czech Republic, albeit with a lag time of between 18 and 24 months.

Tesco plans to launch 15 new stores in Slovakia in 2010

In 2010 the retail chain **Tesco** plans to open 15 new outlets in Slovakia. According to company representatives, this year Tesco wants to focus on developing its smaller-store format, such as the Tesco Express outlets.

Tesco Express stores typically have a trading area of 300 m^2. At present, the retailer operates four such outlets in Slovakia, all of which are located in Bratislava. The last such opening was in mid-January 2010.

The retailer launched eight new stores in 2009 and currently operates 79 stores in Slovakia, of which five are situated in shopping malls, 49 are hypermarkets, 21 are supermarkets, four are Express outlets and 16 are petrol stations. Tesco currently employs over 8,300 people in Slovakia.

Trnava Park to start construction in February 2010

Construction of the Trnava Park shopping centre is start at the beginning of February 2010. The project, developed by the Northern Irish developer **Parker Green,** represents an investment of €33m. The centre is to be the largest of its kind in Slovakia.

The development will be home to some 90 stores, down from the 120 originally planned. The largest space in the centre – over 5,000 m^2 – will be leased to the Slovak division of the British retailer **Tesco**.

The first phase of the centre’s development is planned to comprise approximately 30,000 m^2 of GLA – 8,000 m^2 lower than had initially been planned. The originally planned total area will be completed, albeit with the remaining 8,000 m^2 to follow once a large consumer electronics retailer is signed up. As part of the third phase, the developer plans to add a hotel, an entertainment centre and additional shopping areas.

HB Reavis to build shopping centre in Kosice

The real estate developer **HB Reavis Slovakia** plans to build a shopping and entertainment centre in Kosice. The developer plans to invest €93m in the project.

The three-storey centre is to be home to over 160 stores and will also feature 1,000 parking spaces. In addition, the complex will be connected to an office building featuring 11,000 m^2 of leasable area.

The project is expected to be completed in the first half of 2010. At present, around 30% of the retail space in the project has been preleased.

Quelle closes all its stores in Slovakia

After 16 years on the Slovak market, the mail-order retailer **Quelle** is to close all of its stores in the country on 31 March 2010. However, the brand will not disappear altogether as it has been acquired by the company’s competitor, **Otto**.

The Slovak subsidiary of Quelle tried to find an investor so that the company could continue operating on the Slovak market, however, these efforts proved unsuccessful.

Approximately 80 people working for Quelle in Slovakia will lose their jobs in March this year.

Supplier news

Blika to double sales and production in Slovakia

The Danish furniture producer **Blika** expects sales of its goods to rise by 50% year on year in 2010. Within the next three years, the company also expects its production to double.

Moreover, after being forced to lay off two-thirds of its employees in Slovakia last year as a result of the economic crisis, Blika now plans to increase the size of its workforce from the current 60 to 120 by the end of 2011.

Blika is one of the largest producers of intelligent design furniture such as cabinets, chests of drawers and shelving. The company has been operating in Slovakia for three years and has its base in the industrial park in Trebisov. The company moved its entire operations there, including finance, sales, management and development, from its home market.

While Denmark is the company’s main export market, Blika also exports to other Scandinavian countries, Germany, the Benelux region and the UK.

OP Prostejov shuts two more units in Slovakia

In 2010 **OP Prostejov**, the Czech clothing manufacturer, plans to shut down two of its stores in Slovakia. The company has experienced major financial difficulties in recent years and last year closed down two of its units in the country. By the end of 2010 the plan is for OP Prostejov to operate 17 of its own stores in Slovakia. Despite these closures, the company does not intend to completely withdraw from the market.

OP Prostejov was negatively affected last year by a major decline in demand and increasing competition from cheap Asian imports. As a result, the company's workforce has been reduced in size from 3,000 in 2008, to 1,500 today. The number of production sites operated by the company has also dropped from six two years ago to just two today.

See also the news brief "OP Prostejov fights to maintain profitability".

Grocery chains to develop small stores in Poland

The largest domestic grocery retailers are expected to launch as many as 1,500 small stores in Poland in 2010, and the total number of new units of this kind might reach a few thousand. An increase in the number will be achieved mainly at the expense of large stores owned by foreign chains operating in the country. This is because most Polish consumers still prefer to do their shopping at small stores in their neighbourhoods rather than modern retail establishments such as supermarkets and hypermarkets.

According to a survey commissioned by the Warsaw authorities, 68% of the capital's residents said that their favourite shopping locations are small stores. Supermarkets and hypermarkets were indicated by 41% of respondents, according to a report in *Dziennik Gazeta Prawna*.

The Polish food market is very fragmented – there are almost three times the number of grocery stores in Poland than there are in Germany. Small and medium-sized stores account for around two-thirds of the food product retail market, and supermarkets and hypermarkets for only a quarter.

The convenience store format enjoyed the most rapid rate of growth during 2009, and this trend is likely to continue in 2010. Zabka, abc and Groszek launched around 1,000 new franchise units in total in 2009. Zabka Polska, the operator of the Zabka chain, which consists of almost 2,200 stores, insists that its growth potential in Poland is substantial and estimates that the market can accommodate over 7,000 units under this brand name. Zabka Polska also intends to develop Freshmarket, its new chain. The Eurocash group, which operates the abc chain, claims that the 2009 growth rate will be maintained and that this will result in around 500 new establishments.

Discount stores were the second most prominent format in terms of sales growth. According to our report *Grocery retail in Poland 2009. Market analysis and development forecast for 2010-2012*, sales via the discount channel in 2009 grew by 18.5% year on year. The estimated share of the grocery market accounted for by the discounters increased from 7.7% in 2008 to 9.1% in 2009. Discounters perform well during an economic crisis because clients tend to look for lower prices.

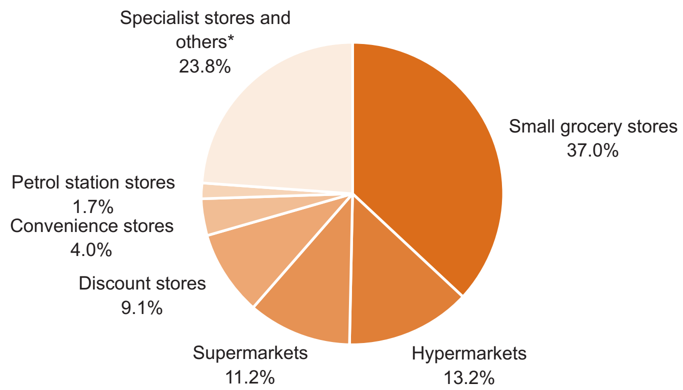
The expansion of domestic chains could pose a threat to independent retailers, many of which could face a choice of joining a network or going bankrupt. The operators of franchise chains insist that joining such a chain is a way of improving a retailer's position in the face of growing competition.

Largest convenience store chains in Poland by number of stores, 2008-2010

Chain (owner)	2008	2009e	2010f
abc (Eurocash)	2,836	3,400	3,900
Zabka (Penta Investment)	2,002	2,200	2,400
Groszek (Emperia Holding)	889	1,140	1,340

e – estimate
f – forecast
Source: PMR Publications, 2010
www.pmrpublications.com

The share of individual retail formats as a proportion of the Polish grocery market, 2009



estimate
** marketplaces, the internet, retail sales at cash & carry warehouses*
Source: PMR Publications, 2009
www.pmrpublications.com

Mateusz Malicki
Senior Business Editor
PMR Publications
mateusz.malicki@pmrpublications.com

In brief

Czech Republic

- **Tesco** sold its distribution centre nearby Prague to the real estate fund Deka for €36m, according to *Hospodarske Noviny*. The centre has an area of over 60,000 m^2 and Tesco will remain its tenant.

- Czech Internet retailer **Mall.cz** reported sales amounting to CZK 300m (€11.6m) in December 2009. During the last three months of 2009 the company made nearly CZK 1bn (€38.7m), Czech Information Agency reported. Compared to the same period of 2008, the retailer' sales doubled.

- In 2009 the majority of transactions made by Czech consumers with credit cards were realised in hypermarkets and supermarkets, according to Cetelem. Over half (53%) of all credit card payments were made in stores of these formats.

Poland

- The **Milea** delicatessen chain will be expanded by 50 new supermarkets in 2010. As a result, the chain will consist of around 140 stores by the end of 2010. The network belongs to the **Emperia Holding** group and is managed by **Detal Koncept**.

- **Interchem**, the operator of the **Aster** cosmetics chain, intends to acquire **Dom pod Jagnieciem**, which manages the **A propos** chain, also a purveyor of cosmetics. The Aster network will expand significantly as a result of the transaction.

- The **Piotr i Pawel** delicatessen chain reported a 20% increase in sales to PLN 1.35bn (€330.8m) in 2009. At present, the chain consists of 66 stores, of which 16 opened in 2009. Another 12 supermarkets are to be set up in 2010. The new locations will include Inowroclaw, Grudziadz, Lodz, Plock and Wroclaw.

- **Pepco**, a non-food chain, opened two new stores on 12 January, in Lubin and Rzeszow.

- 2009 brought **Biedronka**, the largest discount chain in Poland, a 30% year-on-year increase in sales revenues to PLN 16bn (€3.9bn). During the previous year the chain opened 163 establishments and consists, at present, of around 1,500 discounter stores on the Polish market.

Romania

- The French clothing retailer **Camaieu** opened has opened its first store in Romania, in the AFI Palace Cotroceni shopping centre. The outlet has trading area of 230 m^2. The company operates some 850 Camaieu stores in Italy, Poland, Czech Republic, Belgium, Luxembourg, Russia and the Middle East

- The German group **Tengelmann** has begun negotiations with several retailers over the sale of its **Plus** retail chain, which is valued at over €100m. One of the potential buyers is the German chain **Lidl,** which plans to enter Romania in the near future. The Plus discount chain reported sales of €277m in 2008.

Slovakia

- In 2009 sales of jewellery in Slovakia declined by as much as 50% year on year, according to estimates from the jewellery retailer **Trigold**. One of the largest jewellery makers in the country, the company **Zlatokov Trencin** claimed to have experienced its highest year-on-year decline in sales revenues of the last five years, although it did not disclose precise figures.

A D V E R T I S I N G

Data sheet

CEE Data

Retail sales in the Czech Republic, Hungary, Poland, Romania and Slovakia (%, y-o-y), October 2009

Czech Republic	Hungary	Poland	Romania	Slovakia
-4.9 ↓	-7.5 ↓	2.1 ↑	-11.9 ↓	-10.3 ↓

Retail sales in the Czech Republic, Hangary, Poland, Romania and Slovakia (%, y-o-y), November 2008-November 2009

	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09
Czech Republic	-9.6	-5.4	-8.4	-12.8	-5.9	-6.2	-12.3	-9.9	-9.9	-8.4	-5.9	-4.9	-4.4
Hungary	-1.8	-3.2	-2.8	-3.3	-3.6	-4.1	-4.2	-2.2	-6.7	-7.2	-7.3	-7.5	nd
Poland	3.0	6.9	1.3	-1.6	-0.8	1.0	1.1	0.9	5.7	5.2	2.5	2.1	6.3
Romania	7.4	-1.5	-0.6	-9.1	-5.5	-10.5	-13.7	-16.4	-12.9	-12.0	-11.8	-11.9	-9.0
Slovakia	4.4	5.3	-6.5	-14.5	-11.7	-8.9	-12.0	-10.7	-10.2	-9.6	-9.2	-10.3	-9.8

Source: CSU, 2009; KSH, 2009; GUS, 2009; INSSE, 2009; SUSR, 2009

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CPI in the Czech Republic, Hungary, Poland, Romania and Slovakia (%, y-o-y), December 2008-Decemebr 2009

	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
Czech Republic	3.6	2.2	2.0	2.3	1.8	1.3	1.2	0.3	0.2	0.0	-0.2	0.5	0.1
Hungary	3.5	3.1	3.0	2.9	3.4	3.8	3.7	5.1	5.0	4.9	4.7	5.2	5.6
Poland	3.3	2.8	3.3	3.6	4.0	3.6	3.5	3.6	3.7	3.4	3.1	3.3	nd
Romania	6.3	6.7	6.9	6.7	6.5	6.0	5.9	5.1	5.0	4.9	4.3	4.7	nd
Slovakia	4.4	3.4	3.0	2.5	2.1	1.9	1.8	1.7	1.3	0.6	0.4	0.4	0.5

nd – data not available in a given country or data not yet published
Source: CSU, 2009; KSH, 2009; GUS, 2009; INSSE, 2009; SUSR, 2009

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ADVERTISING

Basic macroeconomic & retail market indicators of the CEE, 2008-2009

			2008	Year-to-date		Latest data	
Czech Republic	GDP	%, y-o-y	3.0	Q1-Q3 2009	-4.3	Q3 2009	-4.1
	Private consumption	%, y-o-y	2.7	Q1-Q3 2009	nd	Q3 2009	0.9
	CPI	%, y-o-y	6.3	Jan-Dec 2009	nd	Dec 2009	0.1
	Food and non-alcoholic beverages	%, y-o-y	8.1	Jan-Dec 2009	nd	Dec 2009	-3.5
	Alcoholic beverages and tobacco	%, y-o-y	9.9	Jan-Dec 2009	nd	Dec 2009	2.0
	Clothing and footwear	%, y-o-y	-1.1	Jan-Dec 2009	nd	Dec 2009	-2.8
	Restaurants and hotels	%, y-o-y	7.0	Jan-Dec 2009	nd	Dec 2009	1.5
	Unemployment rate (registered)	%, e-o-p	6.0	Q1-Q3 2009	7.5	Q3 2009	7.4
	Wage (national economy)	€, gross	944	Q1-Q3 2009	867.0	Q3 2009	885.0
	nominal	%, y-o-y	8.5	Q1-Q3 2009	3.3	Q3 2009	4.5
	real	%, y-o-y	2.1	Q1-Q3 2009	2.1	Q3 2009	4.4
	Employment in retail	'000, e-o-p	544.2	Q1-Q3 2009	498.6	Q3 2009	489.6
	Salaries in retail	€, gross	965	Q1-Q3 2009	811.0	Q3 2009	828.3
	Salaries in retail, change	%, y-o-y	9.5	Q1-Q3 2009	-14	Q3 2009	-6.8
	Consumer confidence	points	-21	Jan-Dec 2009	-17.5	Dec 2009	-6.8
	Retail confidence	points	11	Jan-Dec 2009	4.4	Dec 2009	-2.0
Hungary	GDP	%, y-o-y	0.6	Q1-Q3 2009	-7.1	Q3 2009	-7.1
	Private consumption	%, y-o-y	0.1	Q1-Q3 2009	-7.9	Q3 2009	-9.8
	CPI	%, y-o-y	6.1	Jan-Dec 2009	4.2	Dec 2009	5.6
	Food	%, y-o-y	10.2	Jan-Dec 2009	4.4	Dec 2009	2.9
	Alcoholic beverages and tobacco	%, y-o-y	5.6	Jan-Dec 2009	7.5	Dec 2009	10.0
	Clothing and footwear	%, y-o-y	0.0	Jan-Dec 2009	0.5	Dec 2009	0.1
	Services	%, y-o-y	5.0	Jan-Dec 2009	4.6	Dec 2009	5.8
	Unemployment rate (registered)	%, e-o-p	7.9	Jan-Oct 2009	10.4	Oct 2009	10.4
	Wage (national economy)	€, gross	792	Jan-Oct 2009	635	Oct 2009	709
	nominal	%, y-o-y	7.5	Jan-Oct 2009	-0.4	Oct 2009	-1.6
	real	%, y-o-y	0.7	Jan-Oct 2009	nd	Oct 2009	nd
	Employment in retail	'000, e-o-p	365.3	Jan-Oct 2009	346.6	Oct 2009	337.8
	Salaries in retail	€, gross	683	Jan-Oct 2009	636.3	Oct 2009	638.4
	Salaries in retail, change	%, y-o-y	8.6	Jan-Oct 2009	2.3	Oct 2009	2.1
	Consumer confidence	points	-50.2	Jan-Dec 2009	-61.8	Dec 2009	-51.0
	Retail confidence	points	-12.0	Jan-Dec 2009	- 26.8	Dec 2009	-16.7
Poland	GDP	%, y-o-y	5.0	Q1-Q3 2009	1.2	Q3 2009	1.7
	Private consumption	%, y-o-y	5.9	Q1-Q3 2009	2.4	Q3 2009	2.2
	CPI	%, y-o-y	4.2	Jan-Nov 2009	3.5	Nov 2009	3.3
	Food and non-alcoholic beverages	%, y-o-y	6.2	Jan-Nov 2009	4.1	Nov 2009	3.4
	Alcoholic beverages and tobacco	%, y-o-y	6.4	Jan-Nov 2009	9.5	Nov 2009	8.3
	Clothing and footwear	%, y-o-y	-6.9	Jan-Nov 2009	-7.5	Nov 2009	-6.2
	Restaurants and hotels	%, y-o-y	6.1	Jan-Nov 2009	5.1	Nov 2009	4.4
	Unemployment rate (registered)	%, e-o-p	9.5	Jan-Nov 2009	11.4	Nov 2009	11.4
	Wage (national economy)	€, gross	836.6	Jan-Sep 2009	nd	Sep 2009	747.9
	nominal	%, y-o-y	10.1	Jan-Sep 2009	nd	Sep 2009	4.9
	real	%, y-o-y	5.9	Jan-Sep 2009	nd	Sep 2009	1.5
	Employment in retail	'000, e-o-p	523.0	Jan-Nov 2009	546	Nov 2009	544
	Salaries in retail	€, gross	660	Jan-Nov 2009	552.9	Nov 2009	572.4
	Salaries in retail, change	%, y-o-y	10.4	Jan-Nov 2009	4.9	Nov 2009	2.5
	Consumer confidence	points	nd	Jan-Nov 2009	nd	Nov 2009	nd
	Retail confidence	points	nd	Jan-Nov 2009	nd	Nov 2009	nd
Romania	GDP	%, y-o-y	7.1	Q1-Q3 2009	-7.4	Q3 2009	-7.1
	Private consumption	%, y-o-y	9.2	Q1-Q3 2009	-14.0	Q3 2009	-14.3
	CPI	%, y-o-y	7.9	Jan-Nov 2009	nd	Nov 2009	4.7
	Food	%, y-o-y	9.2	Jan-Nov 2009	nd	Nov 2009	0.6
	Non-food	%, y-o-y	6.4	Jan-Nov 2009	nd	Nov 2009	6.6
	Services	%, y-o-y	8.6	Jan-Nov 2009	nd	Nov 2009	8.5
	Unemployment rate (registered)	%, e-o-p	4.4	Jan-Oct 2009	7.1	Oct 2009	7.1
	Wage (national economy)	€, gross	473	Jan-Oct 2009	446	Oct 2009	448
	nominal	%, y-o-y	23.6	Jan-Oct 2009	-6.0	Oct 2009	4.8
	real	%, y-o-y	nd	Jan-Oct 2009	nd	Oct 2009	nd
	Employment in retail (excl. sale and repair of motor vehicles)	'000, e-o-p	764.18	Jan-Nov 2009	nd	Nov 2009	712.6
	Salaries in retail (excl. sale and repair of motor vehicles)	€, gross	382	Jan-Oct 2009	361	Oct 2009	362
	Salaries in retail, change	%, y-o-y	21.5	Jan-Oct 2009	-6.0	Oct 2009	4.9
	Consumer confidence	points	N/A	Q1-Q2 2009	-43.1	Q2 2009	-43.6
	Retail confidence	points	N/A	Q1-Q2 2009	-13.0	Q2 2009	-19.0
Slovakia	GDP	%, y-o-y	6.2	Q1-Q3 2009	-6.7	Q3 2009	-5.7
	Private consumption	%, y-o-y	6.1	Q1-Q3 2009	1.1	Q3 2009	-0.3
	CPI	%, y-o-y	4.6	Jan-Dec 2009	1.6	Dec 2009	0.5
	Food and non-alcoholic beverages	%, y-o-y	7.7	Jan-Dec 2009	-3.2	Dec 2009	-5.1
	Alcoholic beverages and tobacco	%, y-o-y	4.1	Jan-Dec 2009	8.0	Dec 2009	6.6
	Clothing and footwear	%, y-o-y	0.9	Jan-Dec 2009	-0.8	Dec 2009	-2.4
	Restaurants and hotels	%, y-o-y	5.1	Jan-Dec 2009	5.0	Dec 2009	2.4
	Unemployment rate (registered)	%, e-o-p	8.4	Jan-Nov 2009	12.4	Nov 2009	12.4
	Wage (national economy)	€, gross	723	Q1-Q2 2009	732.5	Q3 2009	722.5
	nominal	%, y-o-y	8.1	Q1-Q2 2009	2.8	Q3 2009	2.5
	real	%, y-o-y	3.3	Q1-Q2 2009	0.5	Q3 2009	1.3
	Employment in retail (excl. sale and repair of motor vehicles)	'000, e-o-p	161.0	Jan-Oct 2009	156.0	Oct 2009	154.0
	Salaries in retail (excl. sale and repair of motor vehicles)	€, gross	510	Jan-Oct 2009	520	Oct 2009	521
	Salaries in retail, change	%, y-o-y	11.7	Jan-Oct 2009	3.9	Oct 2009	0.7
	Consumer confidence	points	N/A	Jan-Dec 2009	N/A	Dec 2009	-26.0
	Retail confidence	points	N/A	Jan-Dec 2009	N/A	Dec 2009	-9.3

nd – data not available in a given country or data not yet published
Source: PMR Publications, 2009

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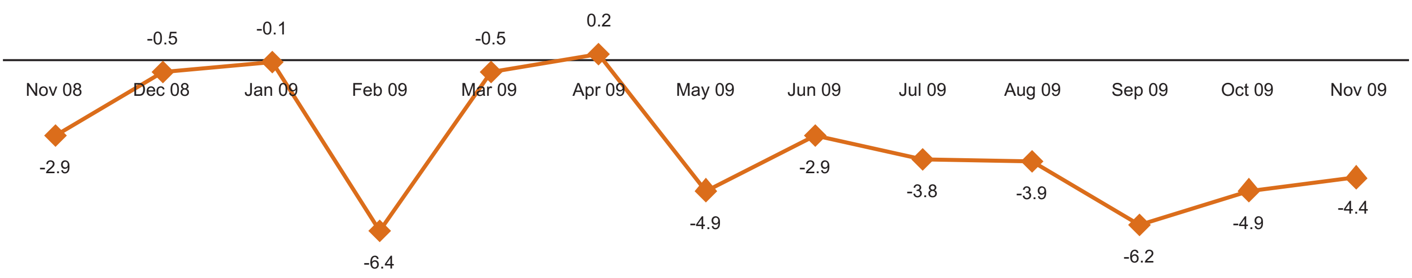
Data sheet

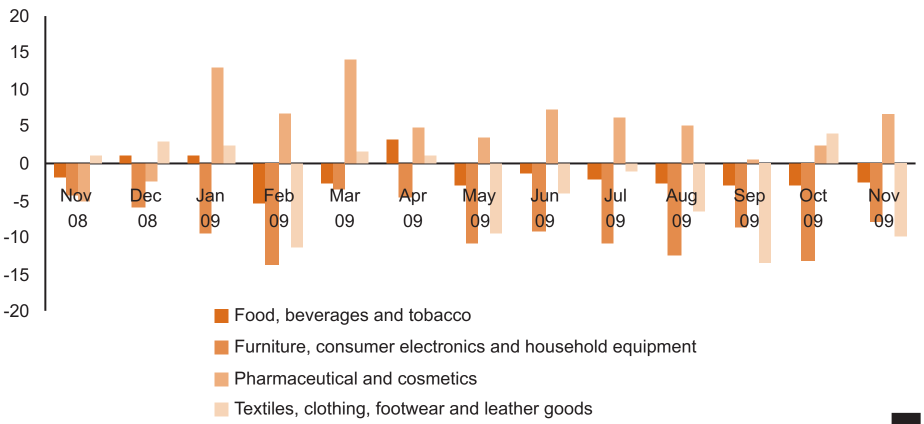
Czech Republic

Retail sales in the Czech Republic (%, y-o-y, current prices), November 2008-November 2009



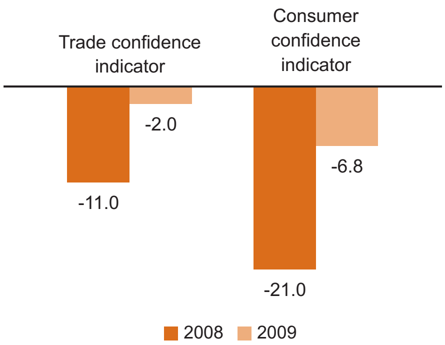
Note: Retail trade including sale, maintenance and repair of motor vehicles & motorcycles as well as retail sale of automotive fuel
Source: Czech Statistical Office (CSU), 2009
www.pmrpublications.com

Retail sales indices by selected goods categories in the Czech Republic (%, y-o-y, current prices), November 2008-November 2009



Source: CSU, 2009
www.pmrpublications.com

Confidence indicators in the Czech Republic (%, y-o-y), December 2008-December 2009



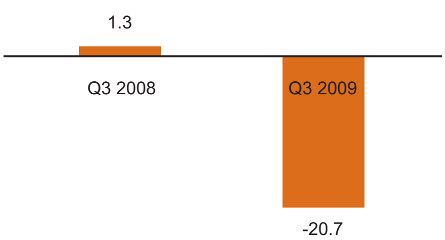
Source: CSU, 2009
www.pmrpublications.com

Selected price indices in the Czech Republic (%, y-o-y), December 2008-December 2009

	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
CPI	3.6	2.2	2.0	2.3	1.8	1.3	1.2	0.3	0.2	0.0	-0.2	0.5	0.1
Food and non-alcoholic beverages	-0.8	-1.5	-1.3	-1.1	-2.2	-3.9	-4.6	-6.5	-6.1	-5.8	-6.2	-4.9	-3.5
Alcoholic beverages and tobacco	9.2	8.9	8.4	9.9	9.4	9.4	9.1	7.6	5.7	3.4	3.0	2.5	2.0
Clothing and footwear	-0.6	-0.8	-1.3	-1.5	-2.1	-2.4	-2.6	-3.7	-3.8	-3.5	-3.3	-2.7	-2.8

Source: CSU, 2009
www.pmrpublications.com

Employment in retail sector in the Czech Republic (%, y-o-y), Q3 2008-Q3 2009

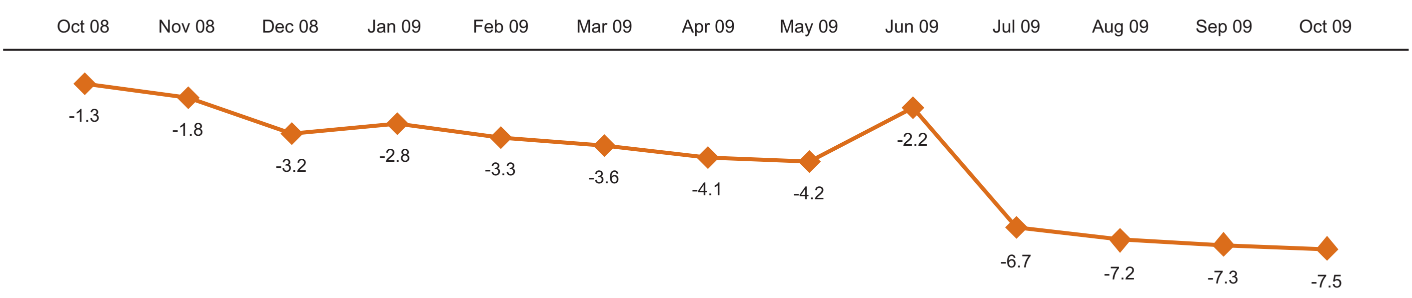


Source: CSU, 2009
www.pmrpublications.com

Data sheet

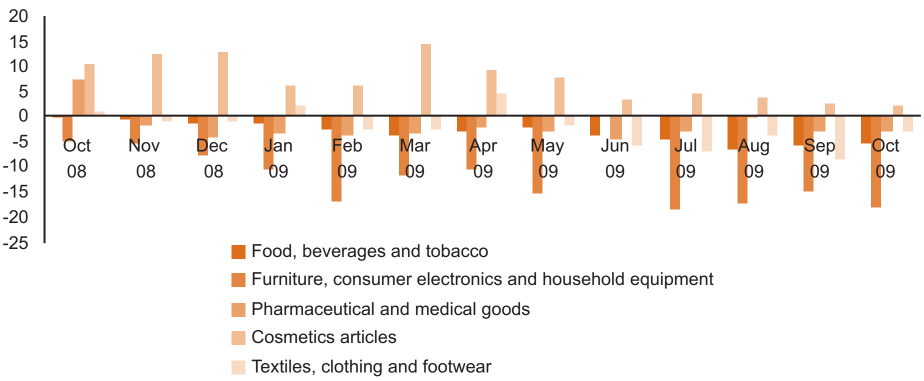
Hungary

Retail sales in Hungary (%, y-o-y), October 2008-October 2009



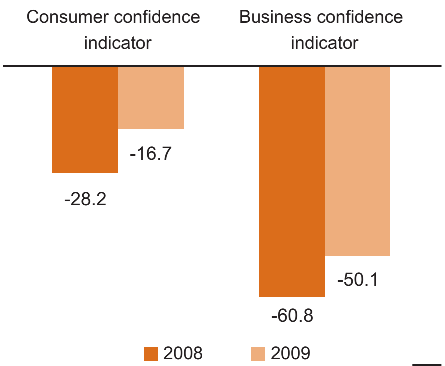
Note: Retail sales indices adjusted for calendar effects
Source: Hungarian Central Statistical Office (KSH), 2009
www.pmrpublications.com

Retail sales indices by selected goods categories in Hungary (%, y-o-y), October 2008-October 2009



Note: Retail sales indices adjusted for calendar effects
Source: KSH, 2009
www.pmrpublications.com

Confidence indicators in Hungary (%, y-o-y), December 2008-December 2009



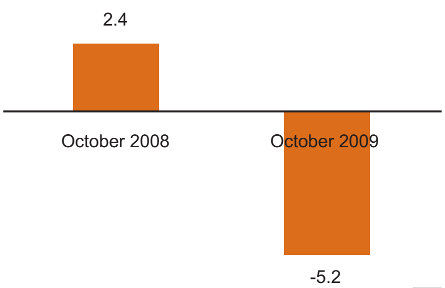
Source: GKI, 2009
www.pmrpublications.com

Selected price indices in Hungary (%, y-o-y), December 2008-December 2009

	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
CPI	3.5	3.1	3.0	2.9	3.4	3.8	3.7	5.1	5.0	4.9	4.7	5.2	5.6
Food	4.3	4.6	4.9	5.2	4.2	7.2	5.9	4.9	3.5	3.0	2.8	3.3	2.9
Alcoholic beverages and tobacco	5.7	5.1	5.4	5.5	5.5	5.9	6.4	8.8	8.9	9.4	9.6	10.1	10.0
Clothing and footwear	0.0	-0.6	-0.1	-0.5	0.5	0.5	0.5	1.1	2.3	1.7	0.6	0.3	0.1
Consumer durable goods	-0.6	-0.1	0.1	-1.2	0.5	1.3	1.6	4.7	4.9	5.7	4.9	4.3	4.0

Source: KSH, 2009
www.pmrpublications.com

Employment in retail sector in Hungary (%, y-o-y), October 2008-October 2009

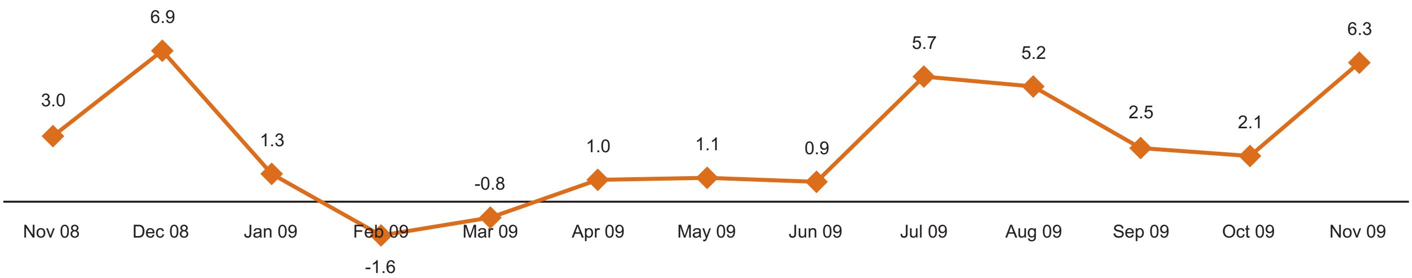


Source: KSH, 2009
www.pmrpublications.com

Data sheet

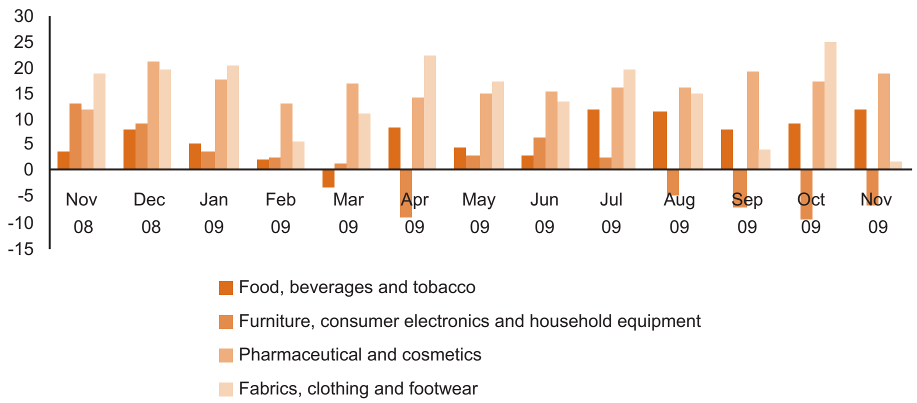
Poland

Retail sales in Poland (%, y-o-y, current prices), November 2008-November 2009



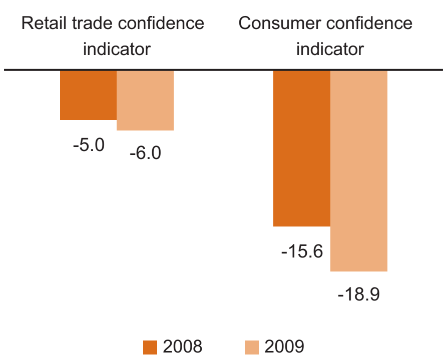
Source: GUS, 2009 www.pmrpublications.com

Retail sales indices by selected goods categories in Poland (%, y-o-y, current prices), November 2008-November 2009



Source: GUS, 2009 www.pmrpublications.com

Confidence indicators in Poland (%, y-o-y), December 2008-December 2009



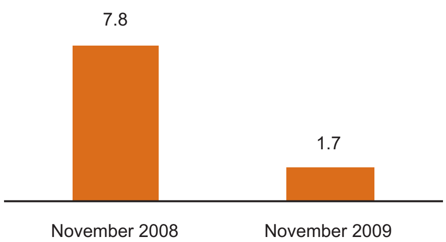
Source: GUS, 2009 www.pmrpublications.com

Selected price indices in Poland (%, y-o-y), November 2008-November 2009

	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09
CPI	3.7	3.3	2.8	3.3	3.6	4.0	3.6	3.5	3.6	3.7	3.4	3.1	3.3
Food and non -alcoholic beverages	2.9	3.2	3.1	3.5	5.0	5.9	5.4	4.8	4.0	4.6	3.6	2.9	3.4
Alcoholic beverages and tobacco	8.1	8.2	7.8	8.3	9.2	9.8	10.0	10.2	12.1	10.3	9.4	8.9	8.3
Clothing and footwear	-6.4	-6.8	-7.2	-7.3	-7.9	-7.9	-7.9	-8.1	-8.1	-7.9	-7.6	-6.3	-6.2

Source: GUS, 2009 www.pmrpublications.com

Employment in retail sector in Poland (%, y-o-y), November 2008-November 2009

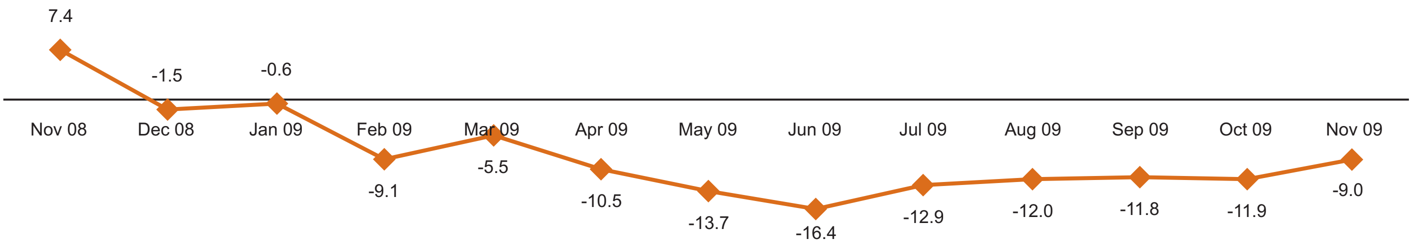


Source: GUS, 2009 www.pmrpublications.com

Data sheet

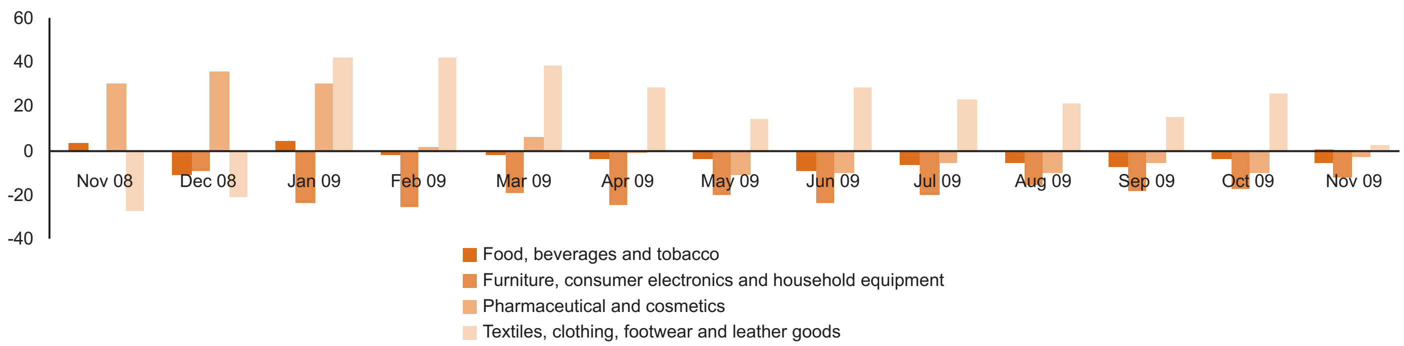
Romania

Retail sales in Romania (%, y-o-y), November 2008-November 2009



Note: Retail sales indices unadjusted for calendar effects
Source: INSSE, 2009
www.pmrpublications.com

Retail sales indices by selected goods categories in Romania (%, y-o-y), November 2008-November 2009



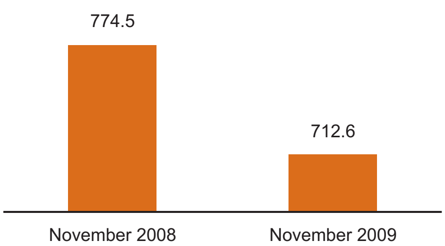
Note: Retail sales indices unadjusted for calendar effects
Source: INSSE, 2009
www.pmrpublications.com

Selected price indices in Romania (%, y-o-y), October 2008-October 2009

	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09
CPI	6.7	6.3	6.7	6.9	6.7	6.5	6.0	5.9	5.1	5.0	4.9	4.3	4.7
Food goods	6.5	6.0	5.9	5.9	5.7	4.6	4.0	3.5	3.7	2.4	1.9	0.9	0.6
Non-food goods	6.9	6.0	6.4	6.7	6.7	7.1	6.6	6.7	4.5	4.8	5.5	5.4	6.6

Source: INSSE, 2009
www.pmrpublications.com

Employment in retail sector in Romania ('000, y-o-y), November 2008-November 2009

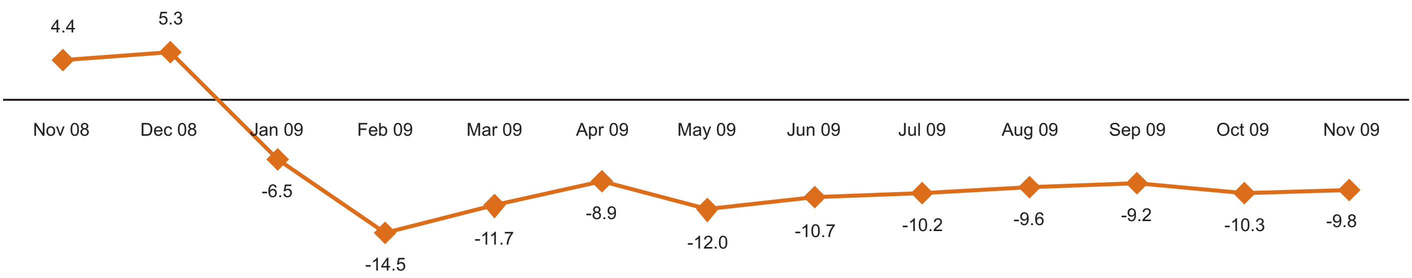


Source: INSSE, 2009
www.pmrpublications.com

Data sheet

Slovakia

Retail sales in Slovakia (%, y-o-y), November 2008-November 2009

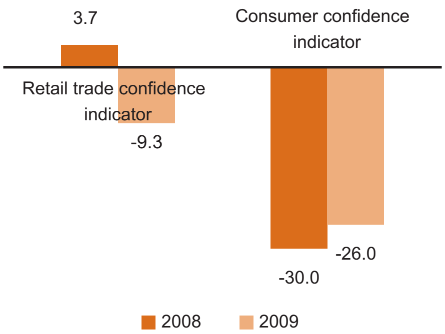


Source: SUSR, 2009 www.pmrpublications.com

Retail sales indices by selected goods categories in Slovakia (%, y-o-y, constant prices), November 2008-Novemebr 2009

Source: SUSR, 2009 www.pmrpublications.com

Confidence indicator in Slovakia (%, y-o-y), December 2008-December 2009



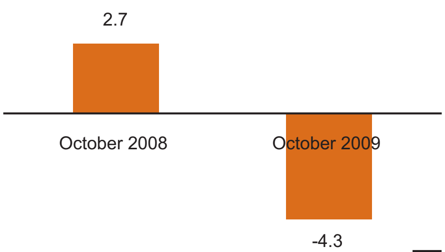
Source: SUSR, 2009 www.pmrpublications.com

Selected price indices in Slovakia (%, y-o-y), December 2008-December 2009

	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09
CPI	4.4	3.4	3.0	2.5	2.1	1.9	1.8	1.7	1.3	0.6	0.4	0.4	0.5
Food and non-alcoholic beverages	2.6	1.6	1.1	-0.1	-2.4	-3.0	-4.4	-5.0	-5.5	-5.1	-5.7	-5.0	-5.1
Alcoholic beverages and tobacco	9.4	8.8	8.3	8.0	7.9	8.1	8.2	8.0	8.0	8.2	8.0	7.9	6.6
Clothing and footwear	0.8	1.2	0.7	0.2	-0.2	-0.7	-1.0	-1.1	-1.1	-1.5	-1.9	-2.3	-2.4

Source: SUSR, 2009 www.pmrpublications.com

Employment in retail sector in Slovakia (%, y-o-y), October 2008-October 2009



Source: SUSR, 2009 www.pmrpublications.com

Upcoming events

International Retail Equipment & Technologies Exhibition RetailShow 2010

EVENT:	International Retail Equipment & Technologies Exhibition RetailShow 2010
VENUE:	Warsaw International Expocentre EXPO XXI
DATES:	24-25 February 2010
ORGANISER:	ECP Communications Phone: +48 (22) 241 -19-40 E-mail: robert.lapinski@ecp-communications.pl URL: http://www.retailshow.pl/

Brand Licensing Central & Eastern Europe 2010

EVENT:	Brand Licensing Central & Eastern Europe 2010
VENUE:	Corinthia Grand Hotel, Budapest
DATES:	8-9 March 2010
ORGANISER:	Advanstar URL: http://www.brandlicensing-budapest.com

Poland & CEE Retail Summit

EVENT:	Poland & CEE Retail Summit
VENUE:	Courtyard by Marriott Hotel, Warsaw
DATES:	25-26 March 2010
ORGANISER:	Blue Business Media Phone: +48 12 350 54 20 E-mail: lukasz.hincz@bluebusinessmedia.com URL: http://bbm.pl/index.php?id=104&L=2&tx_ttnews[tt_news]=501&tx_ttnews[backPid]=97&cHash=baa476ef95

Packaging Innovations

EVENT:	Packaging Innovations
VENUE:	Warsaw, Poland
DATES:	13-14 April 2010
ORGANISER:	easyFairs Poland Phone: +48 12 651 95 25 Fax: +48 12 651 95 22 E-mail: tomasz.slaski@easyfairs.com URL: http://www.easyfairs.com/EN/show-846/packaging-innovations-warsaw-warsaw-poland-packaging-2010-april/detail.aspx

FOOD-TO-GO 2010

EVENT:	FOOD-TO-GO 2010
VENUE:	Krakow, Poland
DATES:	18-19 May 2010
ORGANISER:	easyFairs Poland Phone: +48 12 651 95 26 Fax: +48 12 651 95 22 E-mail: wojciech.pawlus@easyfairs.com URL: http://www.easyfairs.com/EN/show-854/food-to-go-krak%C3%B3w-2010-krak%C3%B3w-poland-food-and-catering-2010-may/detail.aspx

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DTP: Michał Grzywacz, Robert Krzeszowiak, Piotr Chronowski
Publishers: Richard Lucas, Kevin Fountoukidis
Translation: Argos www.argostranslations.com
Marketing: Tel. /48/ 12 618 90 20, marketing@pmrcorporate.com
Customer service: Tel. /48/ 12 618 90 30, moreinfo@pmrcorporate.com