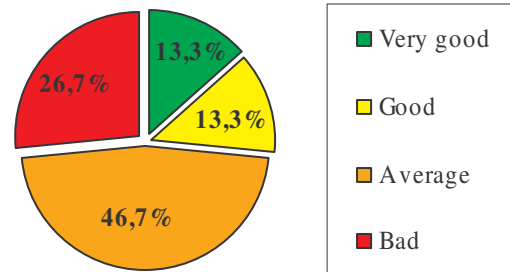


# Dynamics of the Factory Outlet Centres in Europe

**European factory outlet centres are going well despite of a drop of people going there**

## Qualifying of the present situation

The economic activity of European factory outlet centres is judged favourable by three quarters of the centre managers.



*The woman's ready-to-wear is the most attractive field of activity for 43 % of the centre managers, followed by the man's ready-to-wear (36 %)*

## Tendancies at the 1<sup>st</sup> half-year 2006

Visitor's evolution	Evolution of the turnover
↗ 38,5 %	↗ 60 %
→ 15,4 %	→ 13,3 %
↘ 46,2 %	↘ 26,7 %

Compared with the second half-year 2005, the number of people going to the European factory outlet centres has dropped at the beginning of 2006, according to 46 % of the centre managers.

On average the expenditure per visitor has increased of 4,2 % at the same period in Europe. Thus 60 % of the centres have showed an increasing turnover.

## Forecasts for the second half-year 2006 :

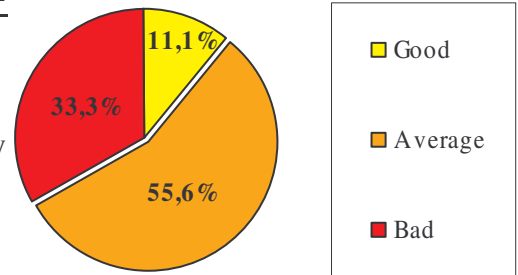
For 77 % of the centres, the turnover increase should continue.

Any relevant evolution is planned concerning the number of employees.

### Zoom in on Mainland Europe<sup>1</sup>

#### *Qualification of the current economic situation*

Centres from Mainland Europe show moroseness and the majority qualifies average the economic situation.



#### *Tendancies at the 1<sup>st</sup> half-year 2006*

Visitor's evolution	Evolution of the turnover
↗ 37,5 %	↗ 55,6 %
→ 12,5 %	→ 22,2 %
↘ 50 %	↘ 22,2 %

Half of the Mainland European centres have noticed a drop of the number of visitors at the first half-year 2006 (80 % in France).

During the first half-year 2006, the price of petrol has kept increasing (for instance : + 5 % in France). So, consumers optimize their travel (increase of 3 % of the average basket), which means a growth of the turnover for 56 % of the centres.

The turnover growth of French centres is less dynamic ; 20 % of the centres are registering a drop of their turnover, whereas the average basket increase is almost 2 %.

#### **Forecasts for the second half-year 2006 :**

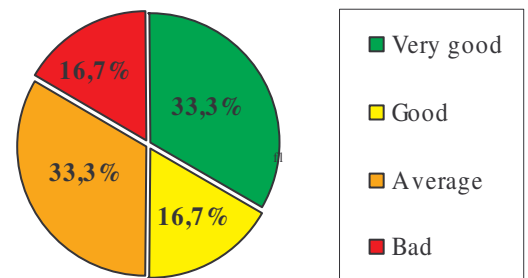
The turnover increase should keep going for 78 % of the centres.

Any relevant evolution is planned concerning the number of employees.

### Zoom in on United Kingdom

#### *Qualification of the current economic situation*

Only one out of six centre has a negative opinion about the economic situation in the United-Kingdom, that is to say 10 points less than the whole of Europe.



#### *Tendancies at the 1<sup>st</sup> half-year 2006*

Visitor's evolution	Evolution of the turnover
↗ 40 %	↗ 66,7 %
→ 20 %	→ -
↘ 40 %	↘ 33,3 %

There is an upward trend in the turnover of British factory outlet centres at the first half-year 2006 according to two thirds of the centre managers.

During the same period, the average basket increased of 5,5 %.

The level of commercialisation (90 %) is weaker than the French centres one (94 %).

Already rising for 33 % of the centres, the number of employees should increase again by the second half-year 2006 according to half of the centre managers.

<sup>1</sup> France, Belgium, Switzerland, Poland, Spain, Germany, Italy and Portugal

**Forecasts for the second half-year 2006 :**

The turnover increase should keep going for 84 % of the centres.

**Summary**

	Average basket 1 <sup>st</sup> half-year 2006	Evolution of the Average basket 1 <sup>st</sup> half-year 06 / 2 <sup>nd</sup> half-year 05
Mainland Europe	74 €	+ 3,1 %
<i>France included</i>	112 €	+ 1,8 %
United-Kingdom	38 €	+ 5,5 %
<b>Whole of Europe</b>	<b>64 €</b>	<b>+ 4,2 %</b>