

TEPE MEETS 2011 IN THE POSITIVE ZONE

A. TEPE, which has been moving in the negative zone since November 2010, met 2011 in the positive zone. TEPE stood at 0.8 percent in January 2011. TEPE demonstrated 9.7 points of month-on-month increase and 18.3 points of year-on-year increase.

Figure-1. TEPE (January 2010 – January 2011)

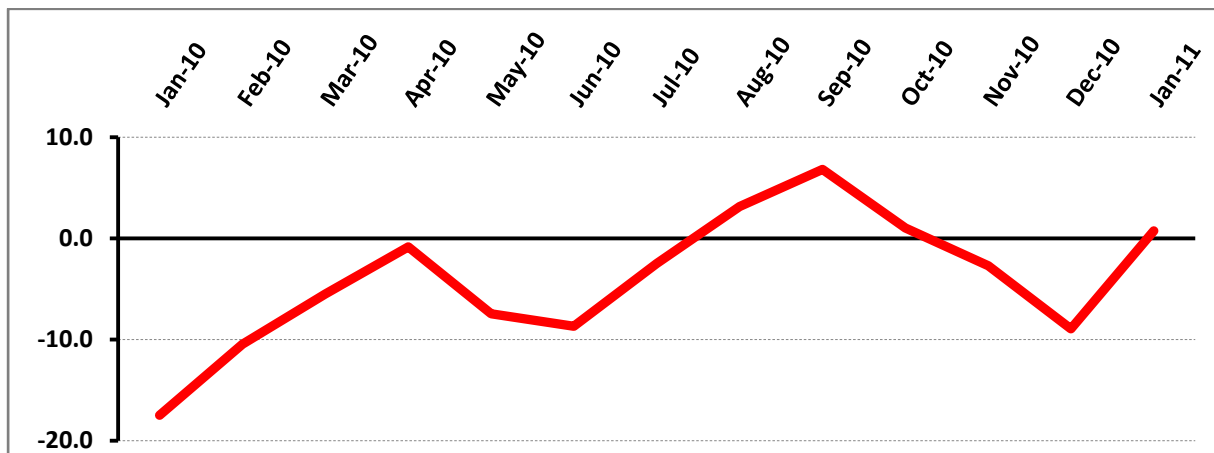


Table-1. TEPE

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-19.6	-23.8	-20.6	-7.8	-9.4	-20.7	-27.2	-30.8
2009	-29.5	-26.0	-17.1	-9.8	-10.1	-8.8	-6.8	-5.1	-4.9	-10.3	-9.9	-19.2
2010	-17.5	-10.4	-5.5	-0.8	-7.4	-8.7	-2.5	3.2	6.8	1.1	-2.7	-8.9
2011	0.8											

B. In January 2011 expectations for the next three year improved by 18.8 points compared to the previous month. 36.6% of TEPE survey participants expect improvement in the business activities in the next three months whereas 24.4 percent expect deterioration in business activities. This implies an increase by 30.8 points compared to January 2010.

Figure-2. TEPE – Expectations for the next three months (%increase-%decrease)

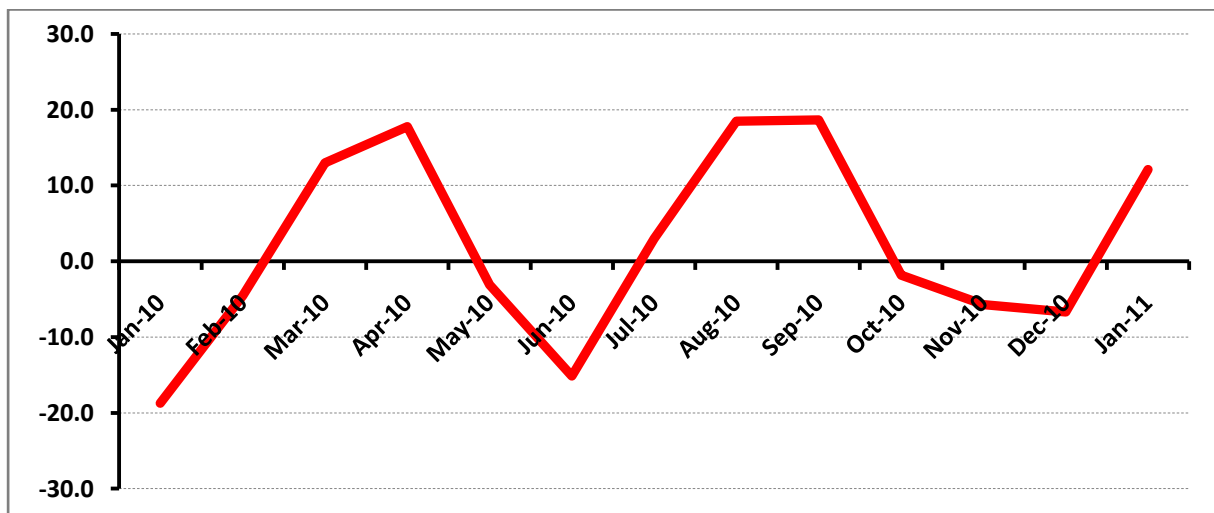


Table-2. TEPE – Expectations for the next three months (%increase-%decrease)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-26.3	-39.0	-21.6	4.9	0.9	-31.5	-44.0	-53.2
2009	-40.1	-27.6	-24.0	-1.3	-11.9	-7.5	-3.2	5.7	15.1	-13.7	-14.9	-31.3
2010	-18.7	-4.5	13.0	17.8	-3.1	-15.1	3.0	18.5	18.6	-1.8	-5.7	-6.7
2011	12.1											

C. The difference between the participants who declared a year-on-year improvement in business activities and who declared a year-on-year deterioration in business activities increased by 30.4 points compared to January 2010 and decreased by 2.7 points compared to December 2010.

Figure-3. TEPE – Year-on-year change in business activities (%increase- %decrease)

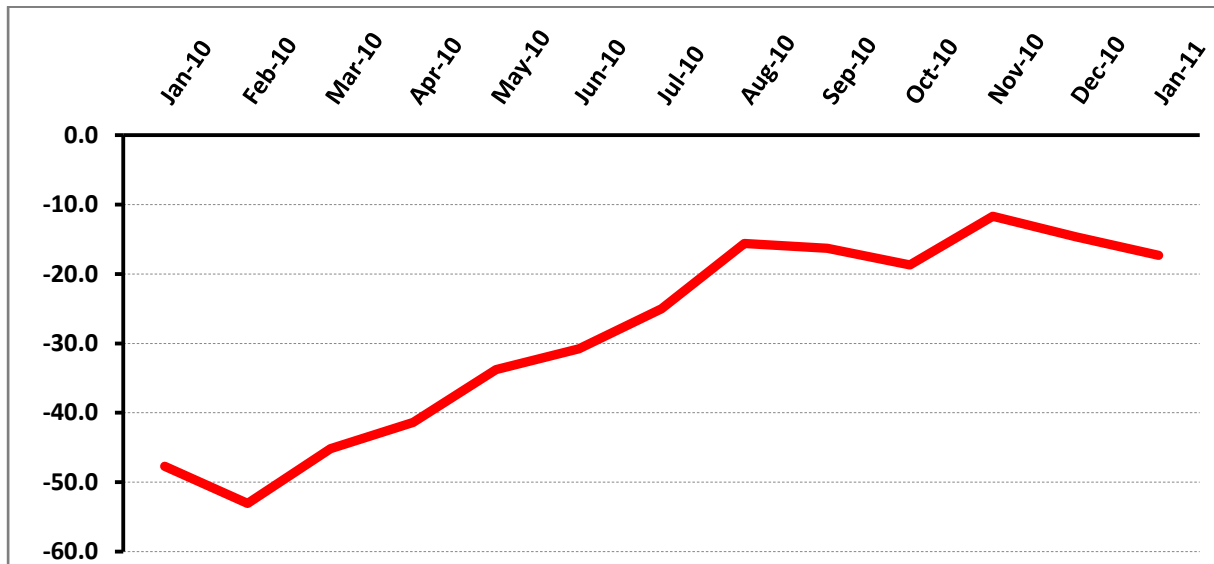


Table-3. TEPE – Year-on-year change in business activities (%increase- %decrease)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-60.1	-60.7	-61.5	-47.6	-55.5	-57.1	-62.7	-68.1
2009	-73.4	-73.2	-64.6	-66.4	-56.8	-35.3	-39.6	-42.5	-60.1	-52.1	-43.6	-48.9
2010	-47.7	-53.1	-45.2	-41.4	-33.9	-30.8	-25.0	-15.6	-16.3	-18.7	-11.7	-14.6
2011	-17.3											

D. In January 2011 EU-27 Retail Index stood at -0.6 indicating a month-on-month drop by 2.8 points and a year-on-year increase by 4.6 points. Thus, EU Retail Index which varied above TEPE since October 2010 fell below TEPE by January 2011.

Figure-4. Comparison of TEPE and EU-27 Retail Index AB-27 (January-2009, January-2010)

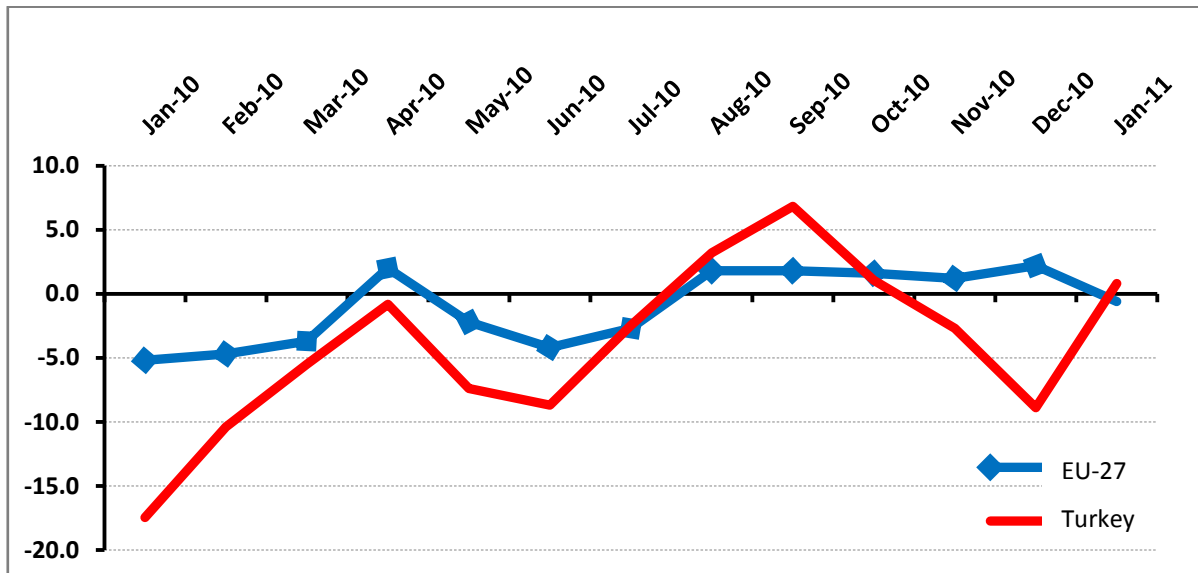
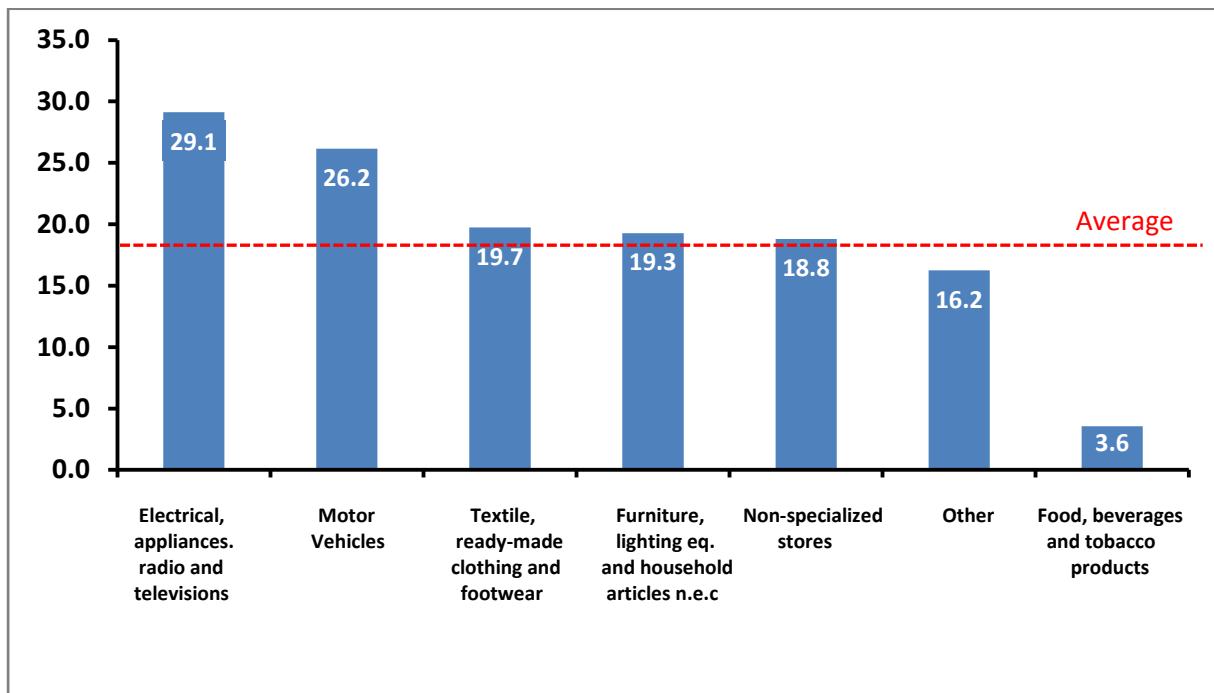


Table-4. E-27

%	January	February	March	April	May	June	July	August	September	October	November	December
2008	---	---	---	---	-1.7	-4.8	-13.9	-13.2	-12.4	-16.3	-18.8	-29.0
2009	-25.9	-22.1	-18.8	-17.1	11.9	-13.7	-14.1	-8.8	-8.0	-10.5	-5.2	-10.9
2010	-5.2	-4.7	-3.7	2.0	-2.2	-4.2	-2.7	1.8	1.8	1.6	1.2	2.2
2011	-0.6											

E. Analysis of the performance of sub-sectors reveals that in January 2011 electrical households articles, radio and televisions; motor vehicles, textile, ready made clothing; furniture and lighting equipments n.e.c. sectors performed better than the rest. On the other hand, food, beverages and tobacco products and others sector performed relatively weakly. In the examined period non-specialized stores had an average performance.

Figure-5. Year-on-year change in TEPE, January 2011 (points)



F. Detailed results of the TEPE survey questions reveal a steep recovery compared to the year and the month before. All indicators except the year-on-year improvement in business activities are dominated by positive expectations. Expectations for sales, employment and orders placed with suppliers reveal that retailers are hopeful about 2011. On the other hand, high expectations for the sales prices for the next three months are striking.

Table-5. Detailed results by TEPE questions

Questions	Index 01/2010	Index 12/2010	Index 01/2011	Month-on-Month Change 01/2011	Year-on-Year Change 01/2011
How has your business activity developed over the past three months? It has...	-58.4	-32.9	-26.3	6.6	32.1
Do you consider the volume of inventories you currently hold to be...? ¹	24.7	12.9	16.5	3.6	-8.2
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-20.7	-14.5	0.3	14.8	21.0
How do you expect your business activity (sales) to change over the next 3 months? It will...	-18.7	-6.7	12.1	18.8	30.8
How do you expect your firm's total employment to change over the next 3 months? It will...	-9.8	1.6	9.1	7.5	18.9
How do you expect the prices you charge to change over the next 3 months? They will...	12.1	0.9	13.8	12.9	1.7
How has your business activity developed this year compared to the same period in the last year? It has...	-47.7	-14.6	-17.3	-2.7	30.4
Do you expect an increase in the number of your stores next year?	0.1	13.9	14.4	0.5	14.3

¹ Positive inventory level indicates that current level of inventory stands below the normal. The (-) values in Table-5 implies that negative expectations are more dominant than positive expectations.