

DATAPOINTS

Retailer Outlook Improves Slightly

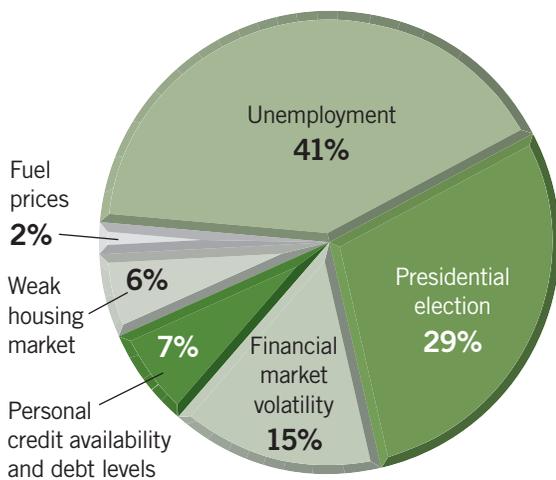
CHICAGO — Retailers appear to be becoming a bit more optimistic about sales and consumer spending although overall they remain cautious, a recent survey shows. Following a better-than-expected back-to-school season, retail chief financial officers surveyed by BDO USA here are projecting a 4.5% increase in total 2012 sales and a 3.6% gain in second-half comparable-store sales. While 57% of respondents in the BDO Retail Compass Survey of CFOs expect to see a continuation of stagnant economic conditions in the near future, the

number of CFOs forecasting an ongoing economic turnaround nearly tripled this year (32%, up from 11% in 2011). Retailers are encouraged, said Doug Hart, partner in the retail and consumer product practice at BDO USA, but “forecasts are cautious as retailers closely watch unemployment, election results and inventory levels — any of which could throw a wrench in holiday results.”

SOURCE: BDO Retail Compass Survey of CFOs

Confidence Killers

Which factor will have the biggest impact on consumer confidence for the balance of 2012?



PESSIMISM DECLINES

What retailers anticipate in the near term.

	2012	2011	2010
Continuation of stagnant economic conditions	57%	77%	82%
An ongoing economic turnaround	32%	11%	9%
A double dip in the economy	11%	12%	9%

3.6%

Projected gain in comparable-store sales for second half of 2012.

48%

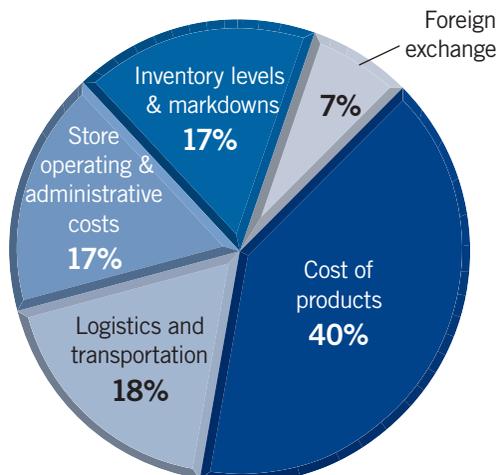
Expect comparable-store sales to be higher in 2012 than in 2011.

“Consumers proved resilient through back-to-school season, and that is fueling greater optimism for holiday sales results.”

DOUG HART, partner, retail and consumer product practice, BDO USA

Inflation Concerns

What will be the biggest threat to your margins in the balance of 2012?



SALES OUTLOOK IMPROVES

HIGHER ABOUT THE SAME LOWER

Expectations for TOTAL sales in 2nd half of 2012 vs. a year ago.

Expectations for COMP sales in 2nd half of 2012 vs. a year ago.

