



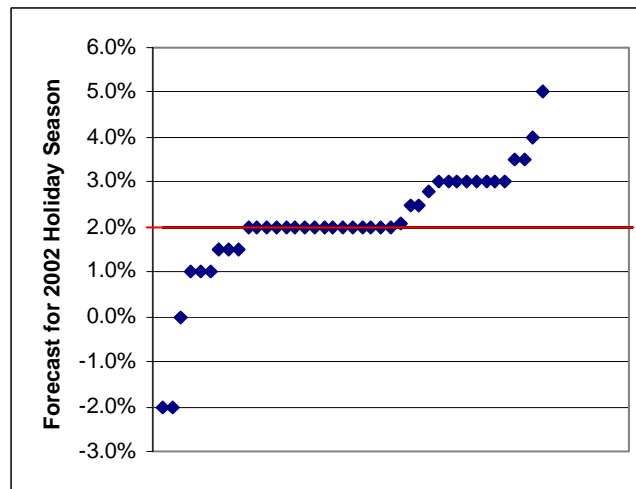
2002 HOLIDAY WATCH SURVEY OF RETAIL AND REAL ESTATE ANALYSTS

For the ninth consecutive year, the International Council of Shopping Centers (ICSC) has surveyed leading retail and real estate analysts on their opinions about the upcoming holiday season. This year, we obtained the insight of over 40 analysts located throughout the United States. The surveys were sent out in October. The following is a summary of the survey responses.

1. What is your forecast for the year-over-year percent increase or decrease in non-auto retail sales for this holiday season?

Mean	+2.1%
Median	+2.0%

The analysts predicted a 2.1% rise in non-auto retail sales this holiday season. The estimates ranged from -2.0% to +5.0%, with a median of +2.0%. Last year, analysts had predicted a 1.1% increase in holiday sales. The scatter diagram below plots the range of forecasts from lowest to highest, with a red line across the median response.



2. Please state whether the following retail formats will capture more, the same or less of total holiday sales than last year:

Retail Format	Percent of Respondents		
	More	Same	Less
Department Stores	0.0%	17.5%	82.5%
Discount Stores	87.5%	12.5%	0.0%
Specialty Stores	25.0%	40.0%	35.0%
Factory Outlets	27.5%	45.0%	27.5%
Warehouse Clubs	67.5%	27.5%	5.0%
Big Box/Category-killer	43.6%	35.9%	20.5%
Online (multi-channel and pure play) retailers	72.5%	17.5%	10.0%
Mail order catalogs, TV shopping channels	20.0%	47.5%	32.5%

Analysts predicted that four store formats, discount stores, warehouse clubs, big box/category-killers, and online retailers, will capture more of total holiday sales this year compared to last year. Analysts also predicted that specialty stores, factory outlets, and catalogs/TV shopping will capture the same amount of total holiday sales as last year while department stores will capture less of total holiday sales this year than last year.

3. What do you think will be POSITIVE factors influencing consumer spending this year?

Low interest rates and mortgage refinancing were most frequently cited by the analysts as positive influences on consumer spending. A continued emphasis on family and home, seasonal weather, and value pricing/widespread promotions were also named as factors that would positively influence spending. One response noted that the reappearance of holiday parties—which may have been suspended last year—might also fuel spending.

4. Which of the following categories do you think will report the highest sales growth during the 2002 holiday season? Please rank, with #1 reporting the strongest gain over the 2001 holiday season.

	Average Rank
Video game software	2.5
Digital electronic products excluding gaming	3.5
Books, CDs, movies (VHS/DVD)	3.5
Furniture/Home Furnishings	4.3
Video game hardware	4.8
Toys/Hobby	5.2
Clothing, shoes and accessories	6.4
Computers, computer-related products	7.3
Jewelry	7.3
Sporting goods	7.7

Video game software, digital electronic products (excluding gaming) and entertainment products such as books, CDs, and movies were favored as the top performers for the holiday season. Sales of furniture/home furnishings, video game hardware and toys/hobby were also expected to improve over last year. In contrast, neither jewelry nor sporting goods received high scores.

Analysts were asked to identify specific products that stood out as potential big sellers. Among those named were video game software (especially for PlayStation 2), DVD players and movies, flat-screen TVs, digital cameras, outerwear, arts & crafts products and costume jewelry/accessories.

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