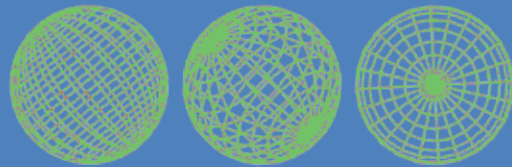


FMI Conference

The **New** Barometer



THE GLOBAL RETAIL THEFT BAROMETER


Summary of Key Findings

- Global Shrink
 - Comparable Data
 - 2014/15 reported a 1.42% vs 2013/14 reported a .94%
 - Asia Pacific reported a 1.11% vs .91% LY
 - Europe reported a .96% vs 1.02% LY
 - Latin America reported a 1.82% vs .75% LY
 - North America reported a 1.97% vs 1.28% LY
 - 16 individual Countries
 - In 10 countries these retailers reported an **INCREASE** in Shrink
 - In 6 countries these retailers reported a **DECREASE** in Shrink

Summary of Key Findings

- Global Shrink
 - Comparable Data
 - A record 18 reporting verticals reported data in 2014/15
 - 11 of these verticals had comparable data
 - In 7 of these verticals shrink **INCREASED**
 - In 4 of these verticals shrink **DECREASED**

Summary of Key Findings

- Global Shrink – 2013/14
 - Categorizing Shrink – the cause of loss
 - Internal = 28%
 - External = 39%
 - Vendor = 13%
 - Admin = 21%
 - Global Shrink – 2014/15
 - Categorizing Shrink – the cause of loss
 - Internal = 39%
 - External = 38%
 - Vendor = 7%
 - Admin = 16%
- 

Summary of Key Findings

- North America Shrink
 - Comparable Data
 - 2014/15 reported a 1.97% vs 2013/14 reported a 1.28%

Summary of Key Findings

- North American Shrink
 - Comparable Data
 - 15 reporting verticals reported data in 2014/15
 - 8 of these verticals had comparable data
 - In 6 of these verticals shrink **INCREASED**
 - In 2 of these verticals shrink **DECREASED**

Summary of Key Findings

- North American Shrink – 2013/14

- Categorizing Shrink – the cause of loss

- Internal = 43%
- External = 37%
- Vendor = 9%
- Admin = 11%

- North American Global Shrink – 2014/15

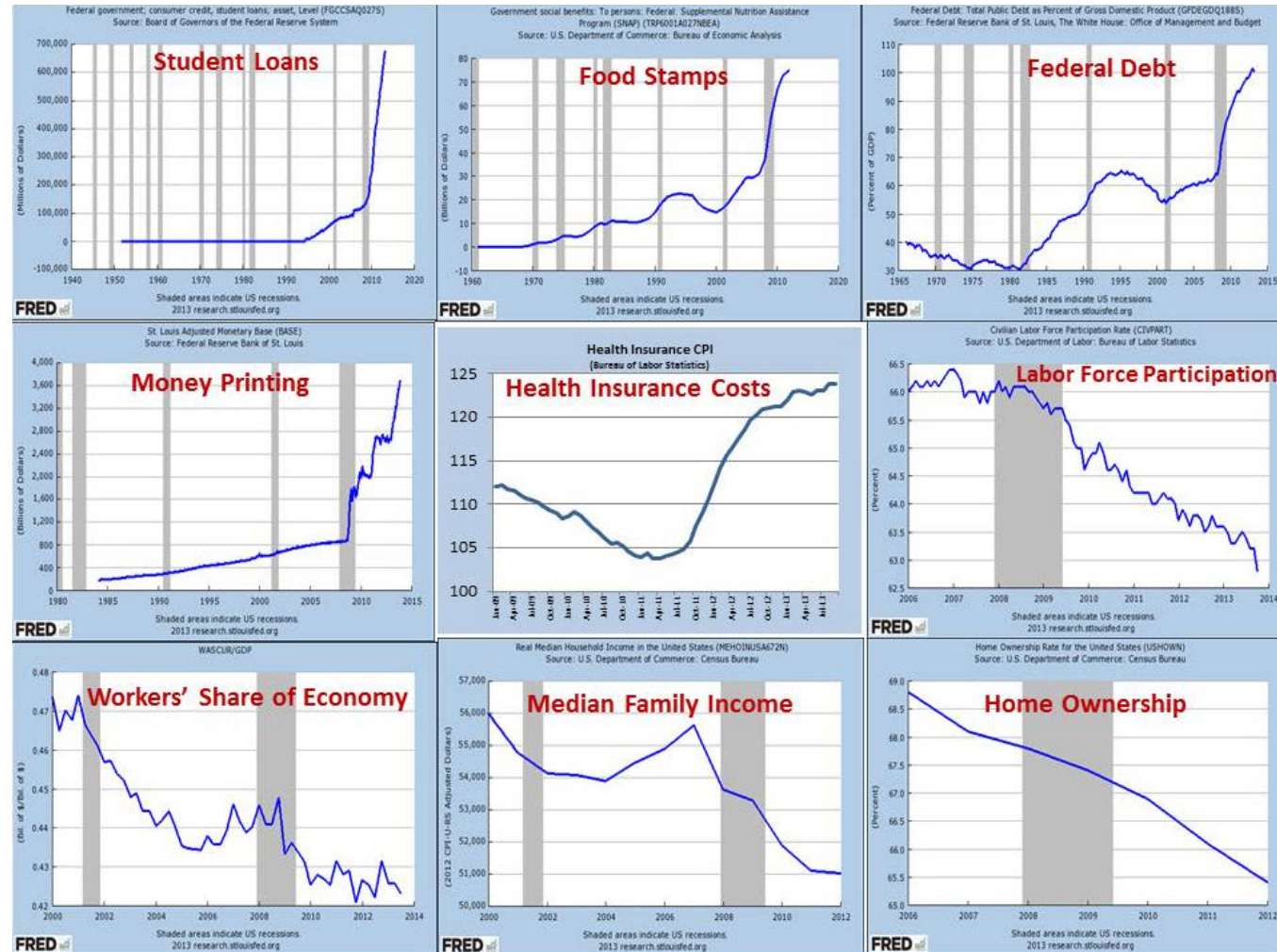
- Categorizing Shrink – the cause of loss

- Internal = 45%
- External = 36%
- Vendor = 6%
- Admin = 13%



Data Analytics – the Risks Ahead

- Forward Looking External Indicators of Risk & Economic Instability



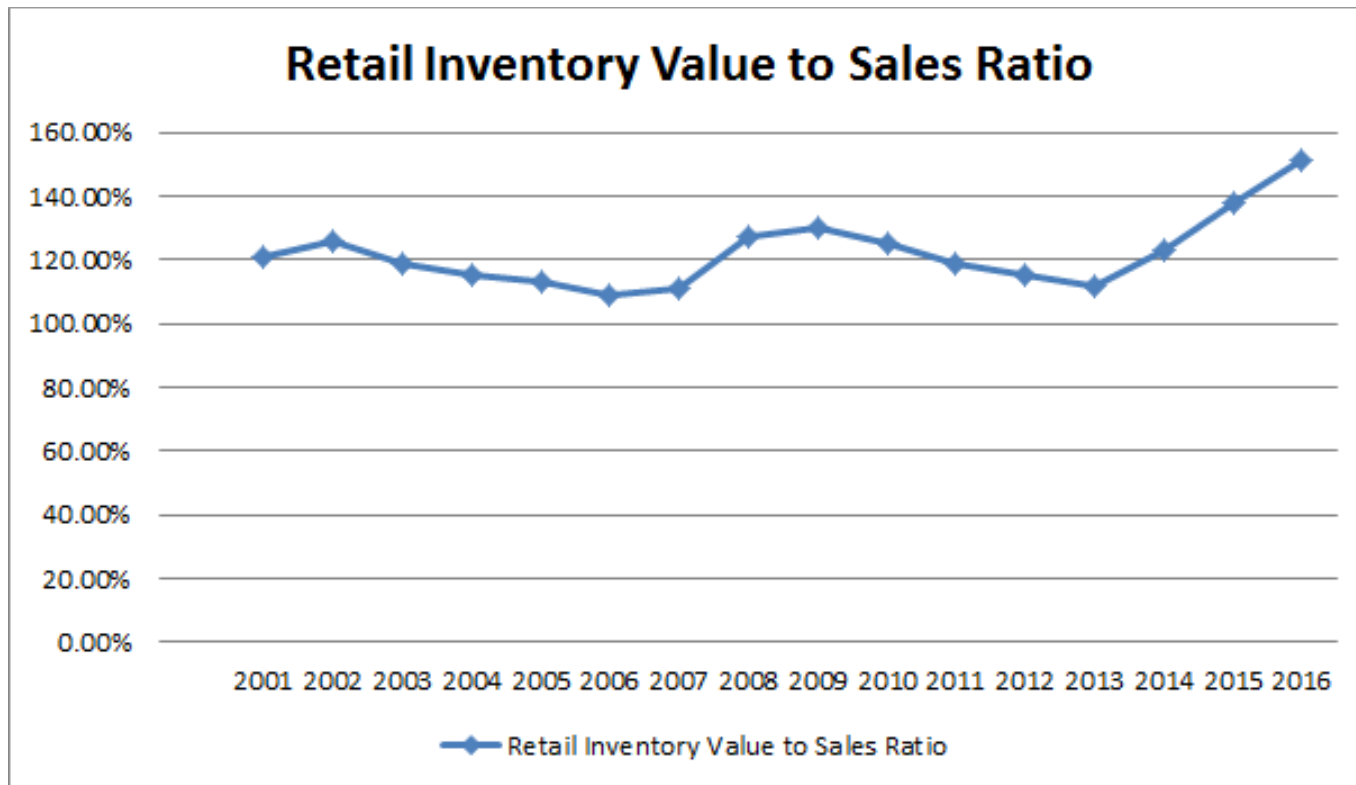
Data Analytics – the Risks Ahead

- Baltic Dry Index at all time lows
 - A Forward looking Financial Leading Indicator
 - The Baltic Dry Index is a daily average of prices to ship raw materials. It represents the cost paid by an end customer to have a shipping company transport raw materials across seas on the Baltic Exchange, the global marketplace for brokering shipping contracts.



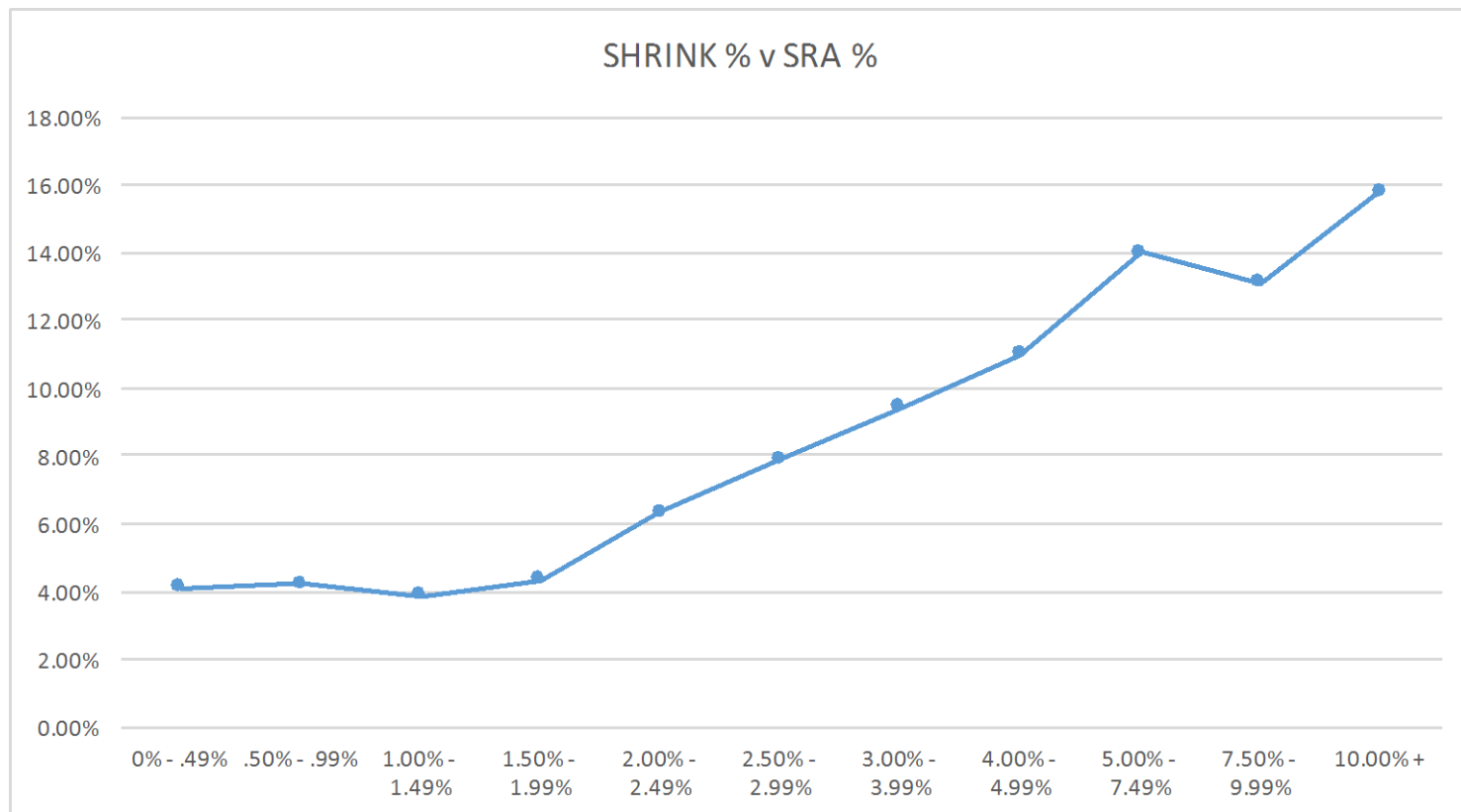
Data Analytics – the Risks Ahead

- RISK Indicator – On hand Inventory Value v Sales



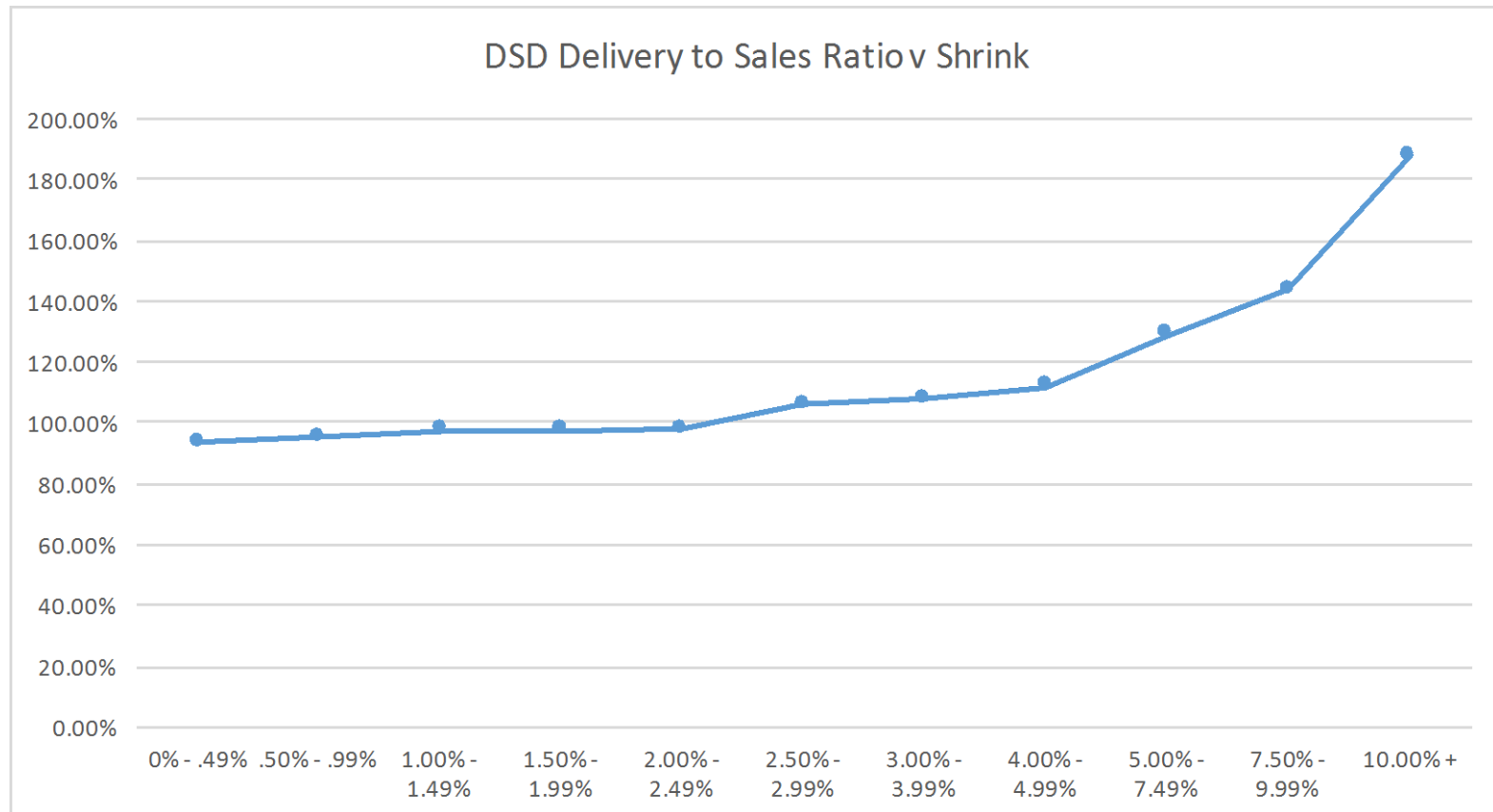
Data Analytics – the Risks Ahead

- SRA v Shrink as a % to sales (PTS)



Data Analytics – the Risks Ahead

- DSD iRED v Shrink as a % to sales (PTS)



Data Analytics – the Risks Ahead

- DSD iRED v Shrink as a % to sales (PTS)

