

Q1 2010

Consumer Index

United States of America

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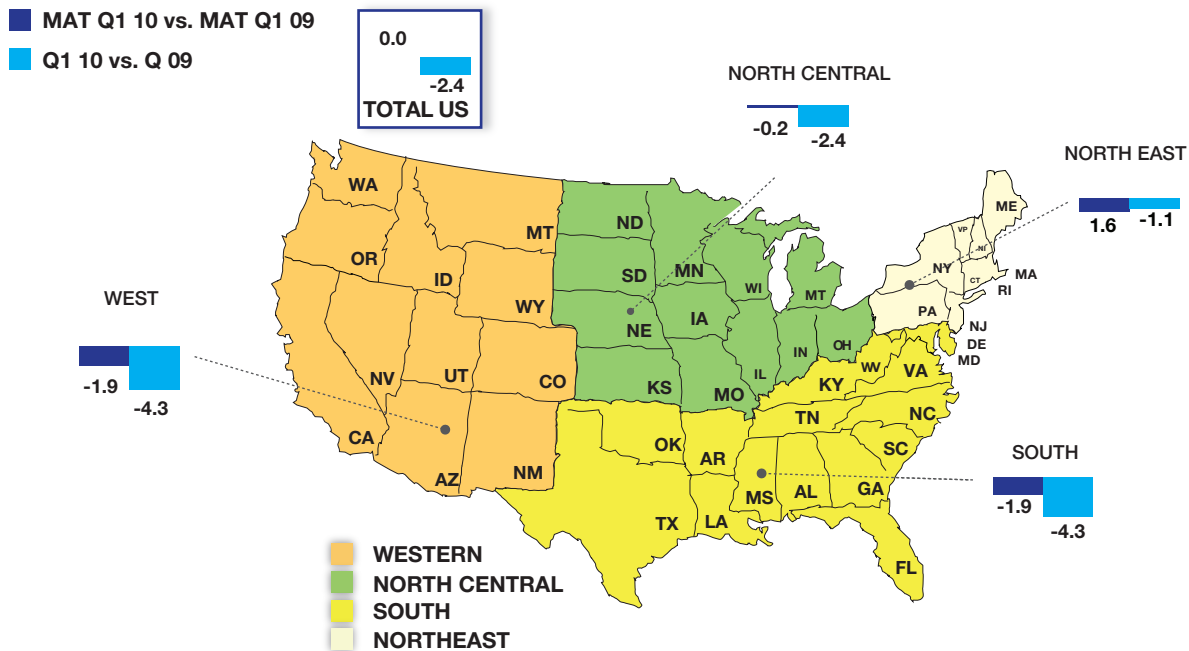
Welcome to the Q1 2010 edition of Consumer Index. We hope you find it interesting. Please do not hesitate to contact us if you have any questions or comments.

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Total FMCG Trends % Change (Value)



Categories Overview

- Total FMCG-All Outlets stands at \$ 83.947 billion in Q1 2010 with a -2.4% decline year on year. First Quarter of 2010 showed decrease for all categories compared with the same period last year.
- The recession has forced many consumers to evaluate everything they buy. For many, the recession has reversed, or at least slowed down consumers when it comes to making healthy choices—trading down to less expensive products. During difficult economic times, consumers are more in tune with bargains or at least what they consider to be a good deal rather than breadth of product selection.
- The flagging economy has led to an atmosphere of thriftiness among a significant portion of the consumer public, many of whom are saying that they have traded down to less expensive brands to save money, even in categories typically thought invulnerable to a shifting economy. US consumers are very stringent on spending for personal care and beauty products, from staples such as toothpaste, deodorant and soap, to beauty items such as hair spray/styling and nail care products and facial moisturizers.
- Soft Drinks showed one of the highest declines of -5.7% amongst all categories. High obesity rates and consumer trend towards watching their diets has dampened Soft Drinks consumption. Consumers perceive low-calorie sweeteners to be hazardous to health and unpalatable.
- The ongoing recession has spurred a number of consumers to trade down in price, which could have lasting effects on the Pet Food market. The most evident Pet Food competition is internal, going organic and towards homemade Pet Food.



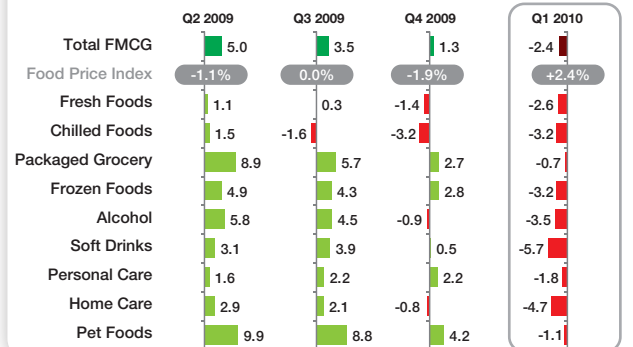
Q1 2010 Key Indicators

Year-on-Year % Change

GDP (Value)	+3.7%
Rate of Food Inflation (Value)	+2.4%
Rate of Unemployment	+19.8%
Frequency of FMCG Purchase	+16.5%
Average FMCG Basket Size (Value)	-9.5%

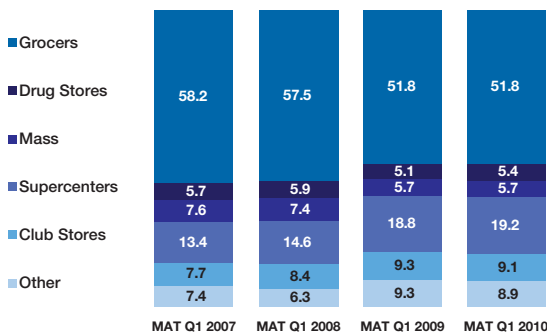
USA - Category Trade

Year-on-Year % Change (Value)



USA - Trade Channels

FMCG Value Share



- Grocery holds around 51.8% share of total FMCG. Market share within U.S. Grocery stores has declined 2.3% compared with the same period a year ago. This can be attributed to the growing number of buyers who supplement their shopping by going to other outlets, in turn decreasing sales opportunities for Grocery stores.

- Drug channel retailers have shown growth of +3.3%. With an aging population comes increased health care and prescription needs, thus providing a growing customer base for drug stores.

USA - Trade Channels

Year-on-Year % Change (Value)



- There is a decline in share of the Mass, Supercenter and Club channels compared with year ago. Online shopping is quickly becoming a sought-after alternative to shopping in brick-and-mortar stores due to higher product availability, better customer service, low prices and free delivery.

- Across all channels, price remains a key deciding factor.

METHODOLOGY:

• A consumer panel is a permanent, syndicated and representative sample of consumers, who provide ongoing details of the fast moving consumer goods they purchase. Using the scanning methodology, each panel member records the details of every item they purchase.

- Sample size: 100,000 Households

CATEGORIES UNIVERSE:

Panel data indicators

FMCG: Fast Moving Consumer Goods (includes foods, personal care and home care; excludes clothes, white goods etc...)

Categories:

- **Fresh Foods:** fresh eggs, fresh bread & rolls random weight fresh foods are excluded (fresh fish, meat, fruit, or vegetables)
- **Chilled Foods:** chilled deli products, chilled dairy products, chilled bakery products
- **Packaged Grocery:** bread, biscuits, canned goods, hot beverages, packet breakfast, pickles, sauces, condiments, savoury carbohydrates and snacks, home cooking ingredients, take home confectionery and savouries
- **Soft Drinks:** carbonated soft drinks, chilled drinks, mineral water and juices of all types (refrigerated, bottled, canned, frozen)
- **Home Care:** softeners, detergents and rinse conditioners
- **Personal Care:** bathroom toiletries, hair care, healthcare, oral care, other toiletries
- **Pet Food:** cat food and dog food

TRADE CHANNELS:

- **Grocers:** This government-defined term encompasses any retail store selling food items including not only supermarkets but also convenience stores, supermarkets and specialty stores such as delis but excluding wholesale club
- **Drug stores:** Those stores that carry Health & Beauty items in addition to prescription medicines, along with larger units that sell consumer packaged goods, limited lines of food, paper, and seasonal items
- **Mass:** Defined as discount stores, general merchandise stores, and variety stores or “dollar” stores
- **Supercenters:** A retail unit with a full line supermarket and a full line discount merchandiser under one roof; the store may have separate or combined checkouts
- **Club stores:** These membership club stores are characterized by high volume on a restricted line of popular merchandise into a no-frills environment. The average club stocks 4,000 SKU's, 40% which are grocery items

Country	Individual Population (in 000's)	Number Of Households (in 000's)	GDP per Capita (2007 est.)
USA	301,621	114,996	46,000
North Central	66,389	26,100	
Northeast	54,681	21,138	
South	110,455	43,017	
West	70,097	24,741	