

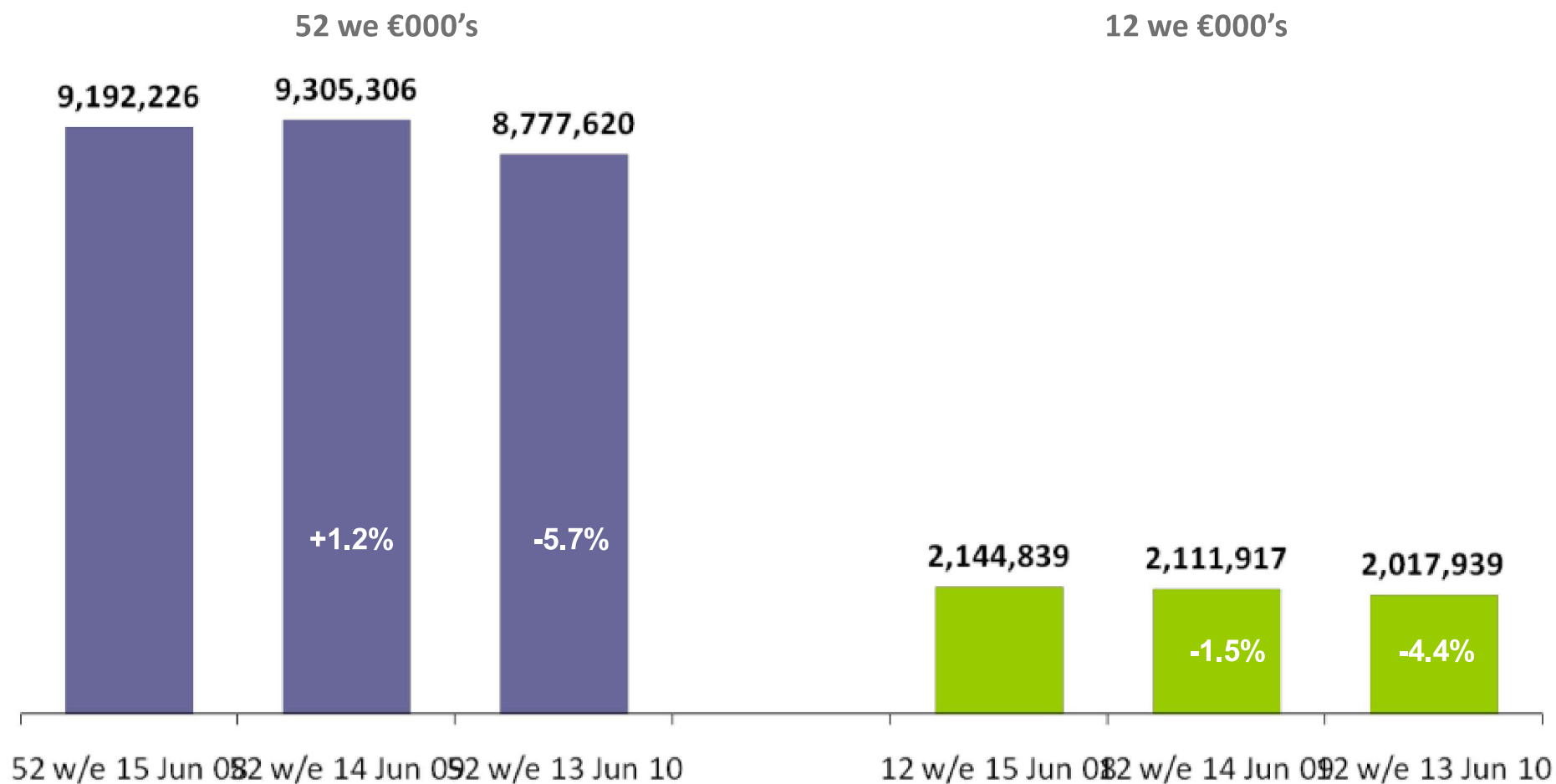
A Summary Update of the Irish Grocery Market to 13 June 2010 – A Presentation to the National Consumer Agency



Headlines

- The value of the total grocery market has declined by 5.7% in the year to 13 June 2010, dropping to under €9 billion for the last 52 weeks
- However the decline in the market is slowing, with a 2.9% decrease for the 4 week period ending 13 June 2010 compared with same period in 2009.
- Overall the market is likely to move into growth during August driven by 2 factors
 - This time last year was particularly tough, so this is now annualising
 - Evidence of some price increases beginning to come through
- Overall shoppers are maintaining the number of trips but are spending 4.4% less per trip, spending €21.91 per trip.
- Budget products are the only products tier showing volume growth.

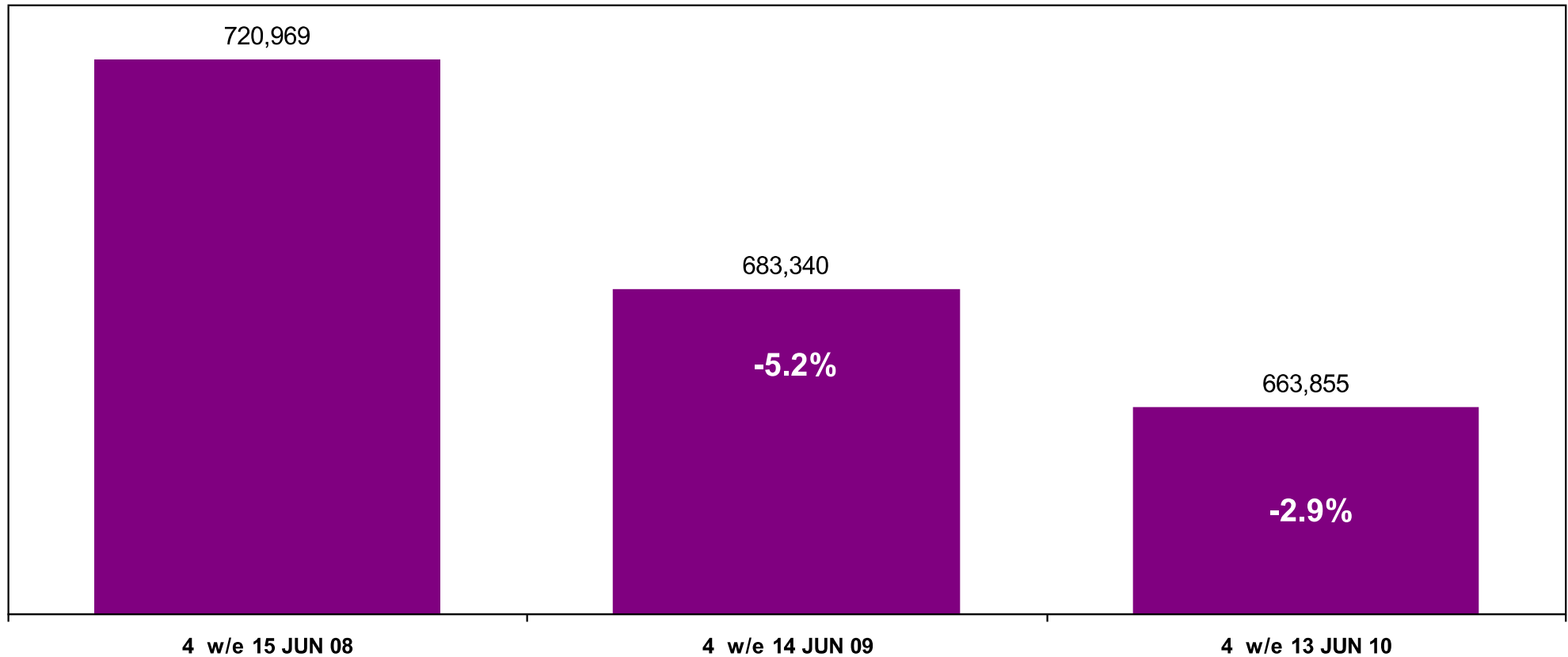
The total grocery market has lost over €527 million this year, declining by 5.7%



How is the total grocery market performing?

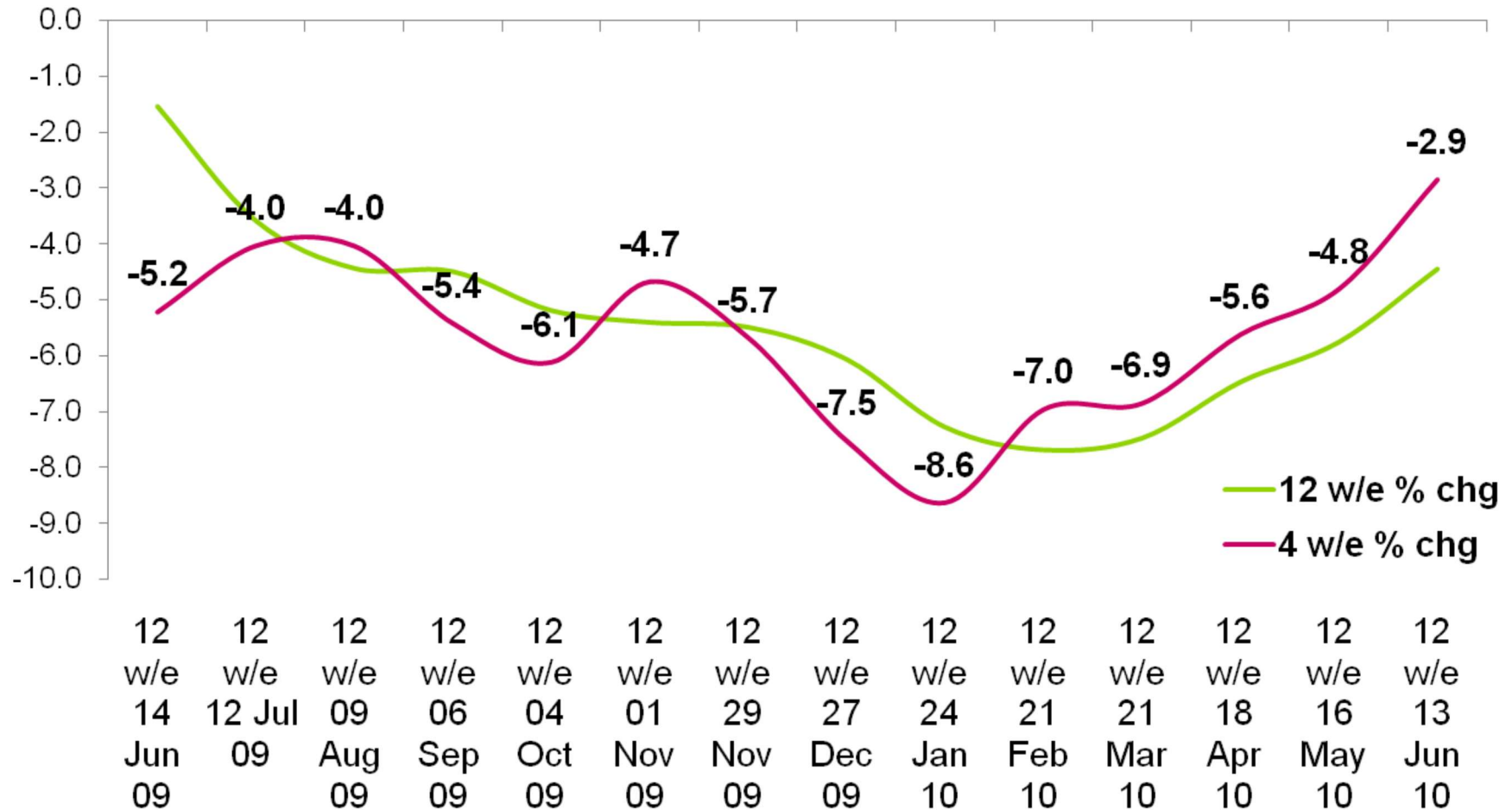
The decline in the market is slowing which is particularly evident in a 4 w/e period.

4 we €000's



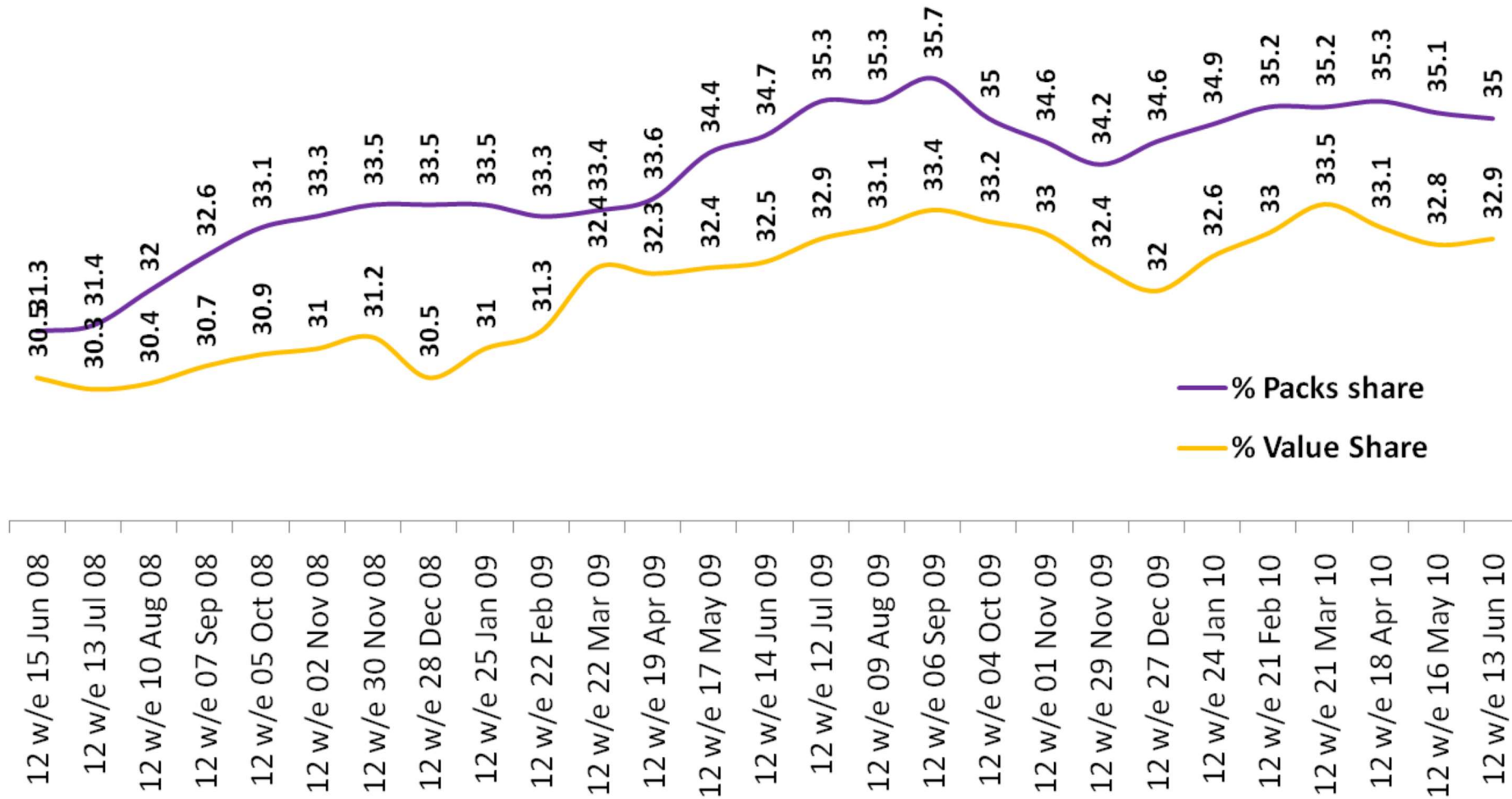
While the market is still underperforming on shorter term, the rate of value decline is slowing down since the start of the year.

% Value Growth in Total Grocery

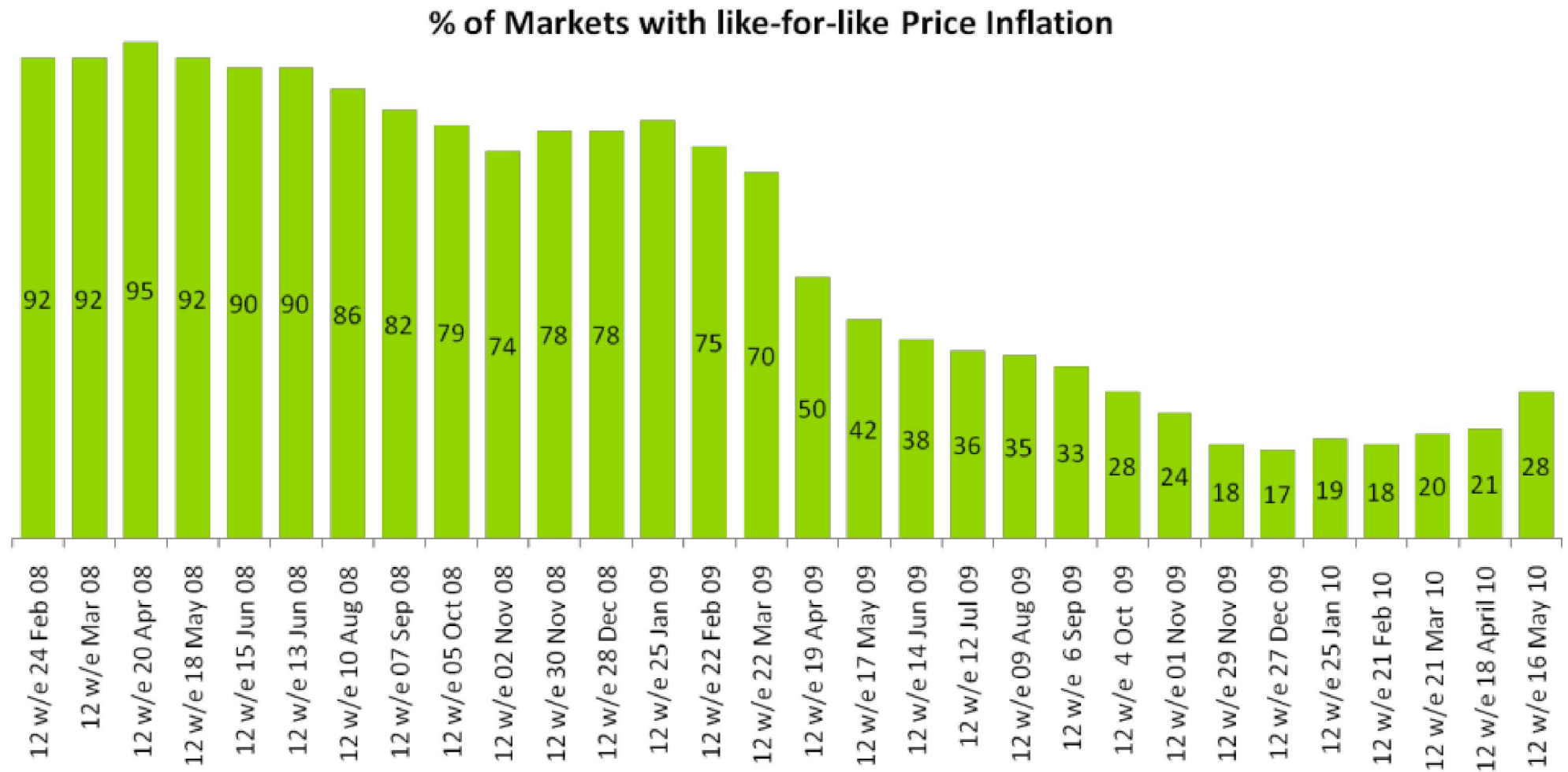


Private label maintains share at a third of total market value and 35% of volume

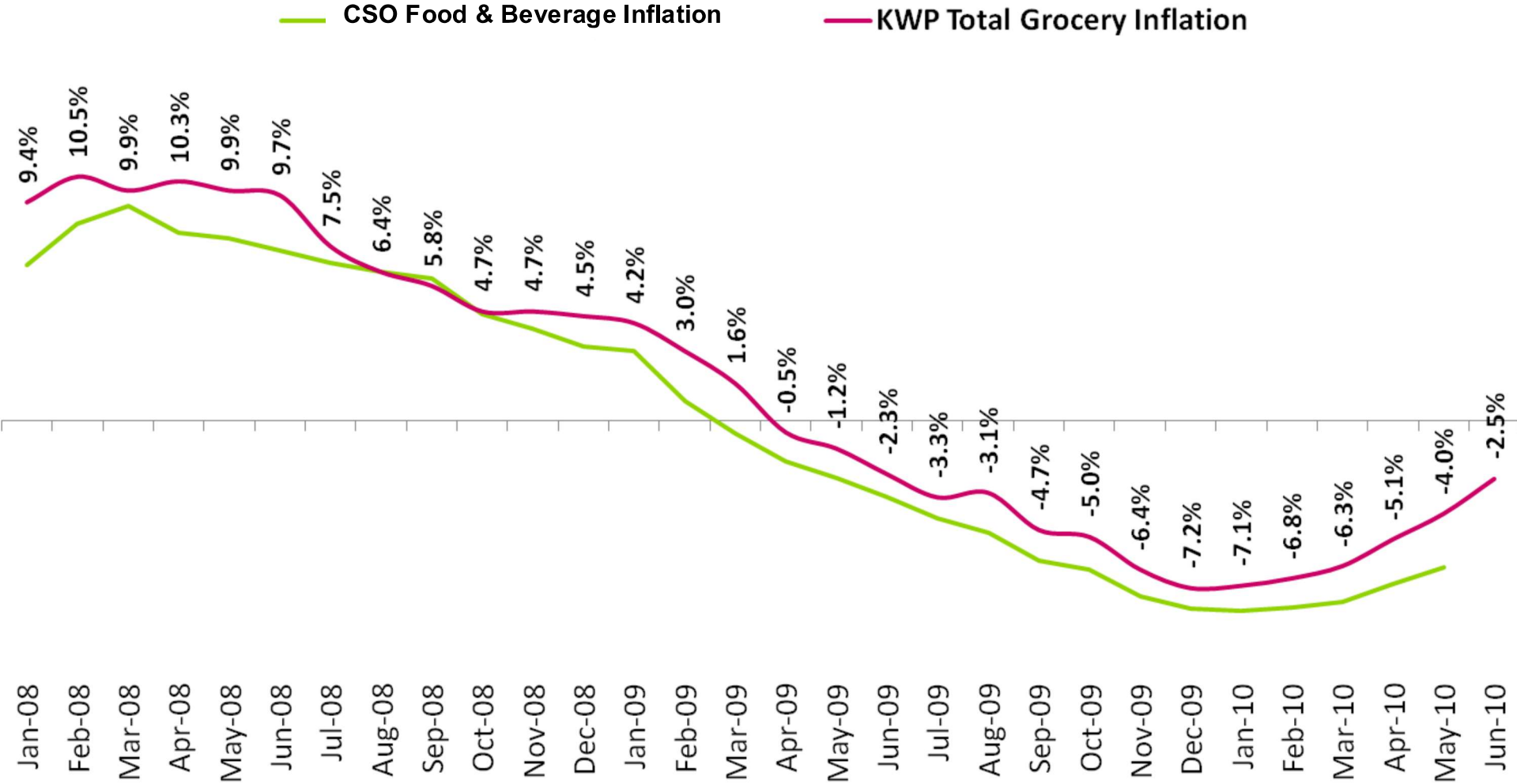
Private Label Share of Grocery



Inflation is beginning to come back into the grocery sector as 10% more markets are experiencing inflation compared with the Christmas 2009-10 period



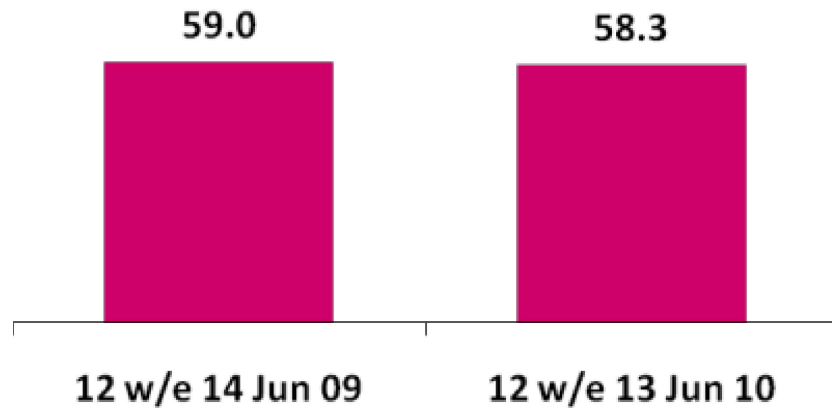
The overall level of deflation within the total Grocery market has eased to -2.5% in 12 w/e June 2010



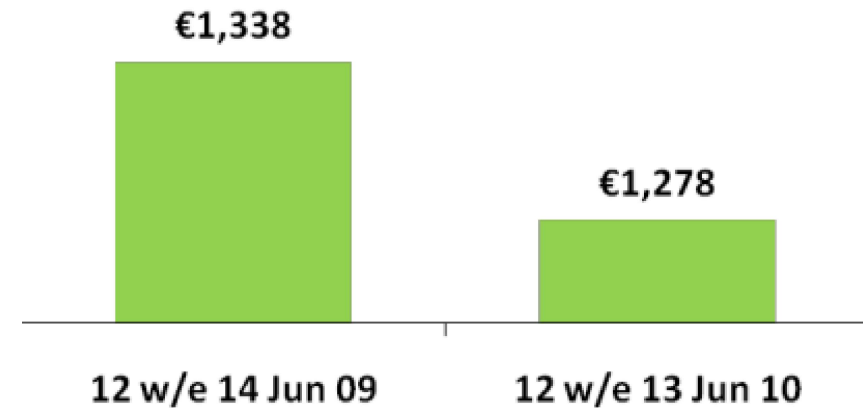
CSO data based on monthly survey
 KWP data based on 12-weekly rolling trend

So what is the effect on shopper behaviour?

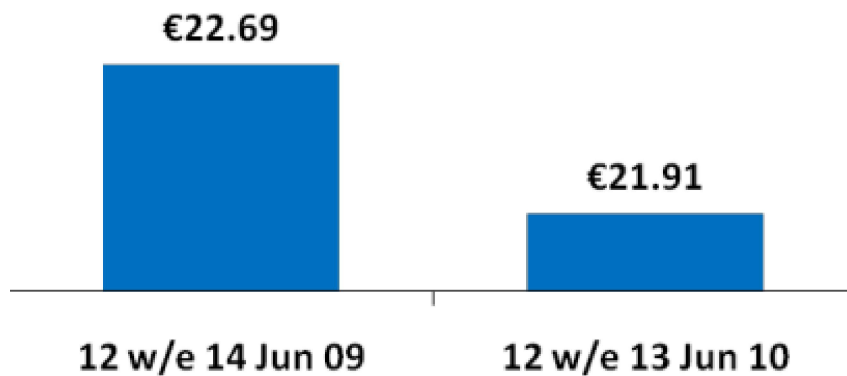
No of Trips per Household



Average Spend per Household



Spend per Trip



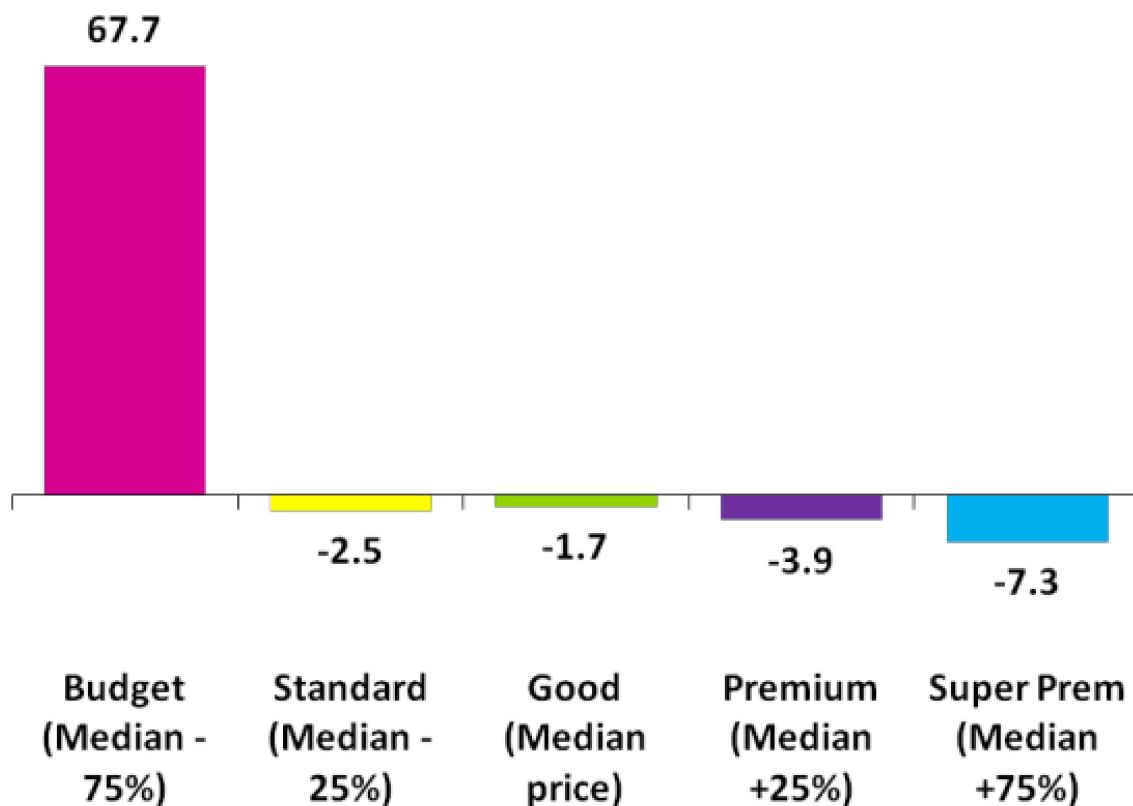
Shoppers maintained the number of trips but spent 4.4% less each time

The number of markets where shoppers are choosing more expensive or non-promoted products is on the increase – however, this is largely a result of ‘extreme’ trading down this time last year

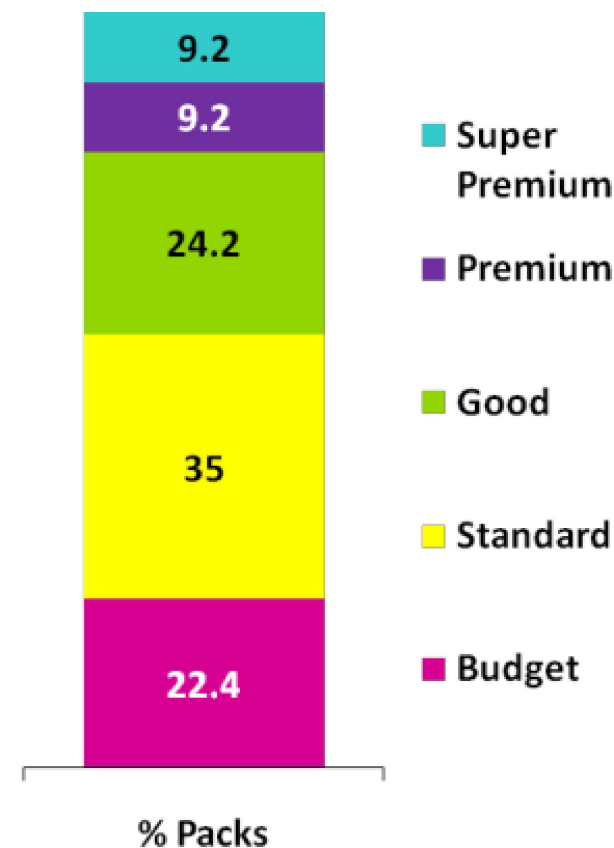


Budget products are still the only product tier that shows volume growth, suggesting that trading down still is important in driving volume, but does not affect value to the same extent as last year

Change in Volume sales

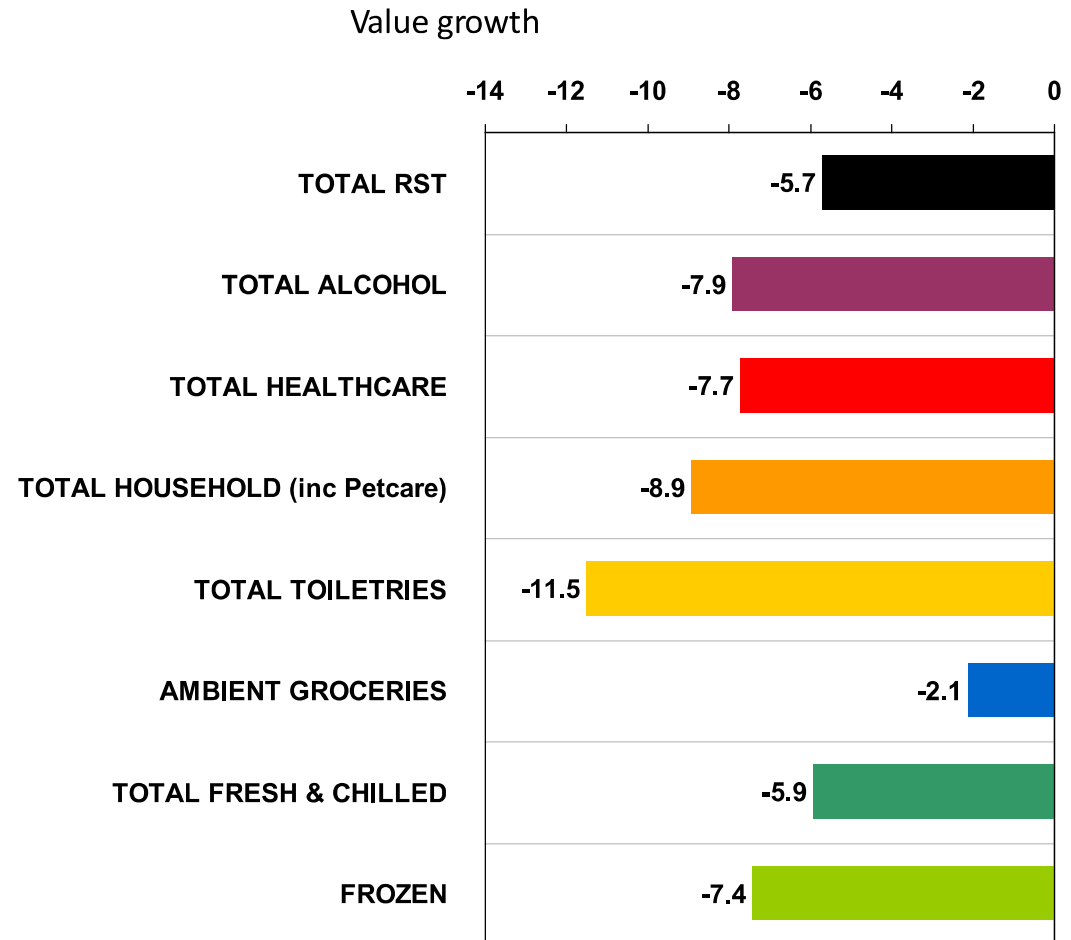
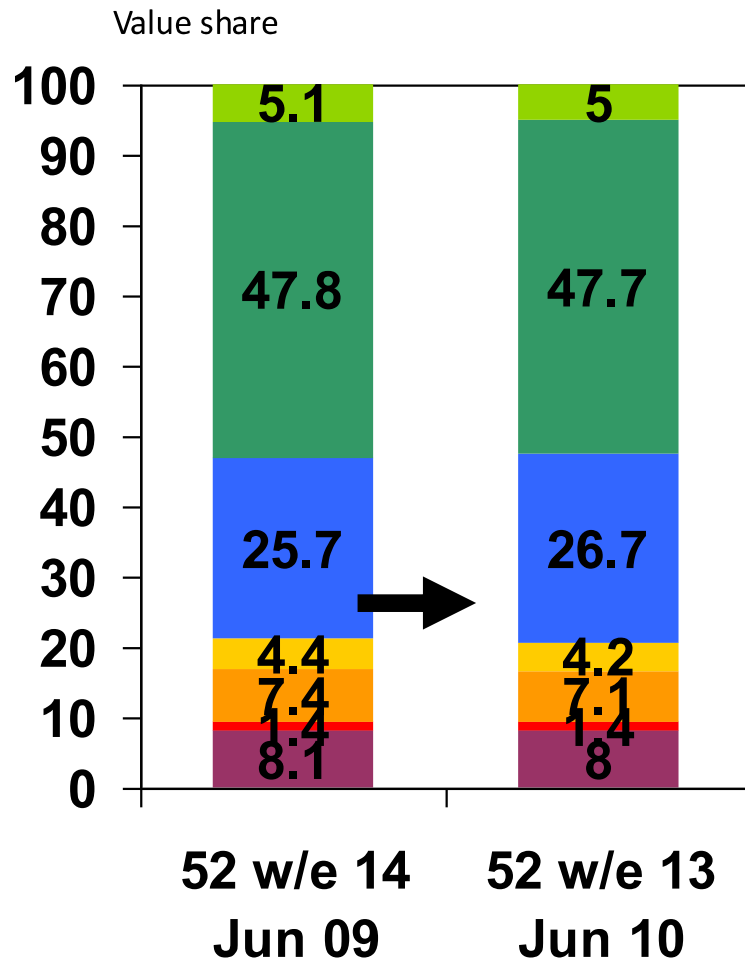


Share of Volume Sales



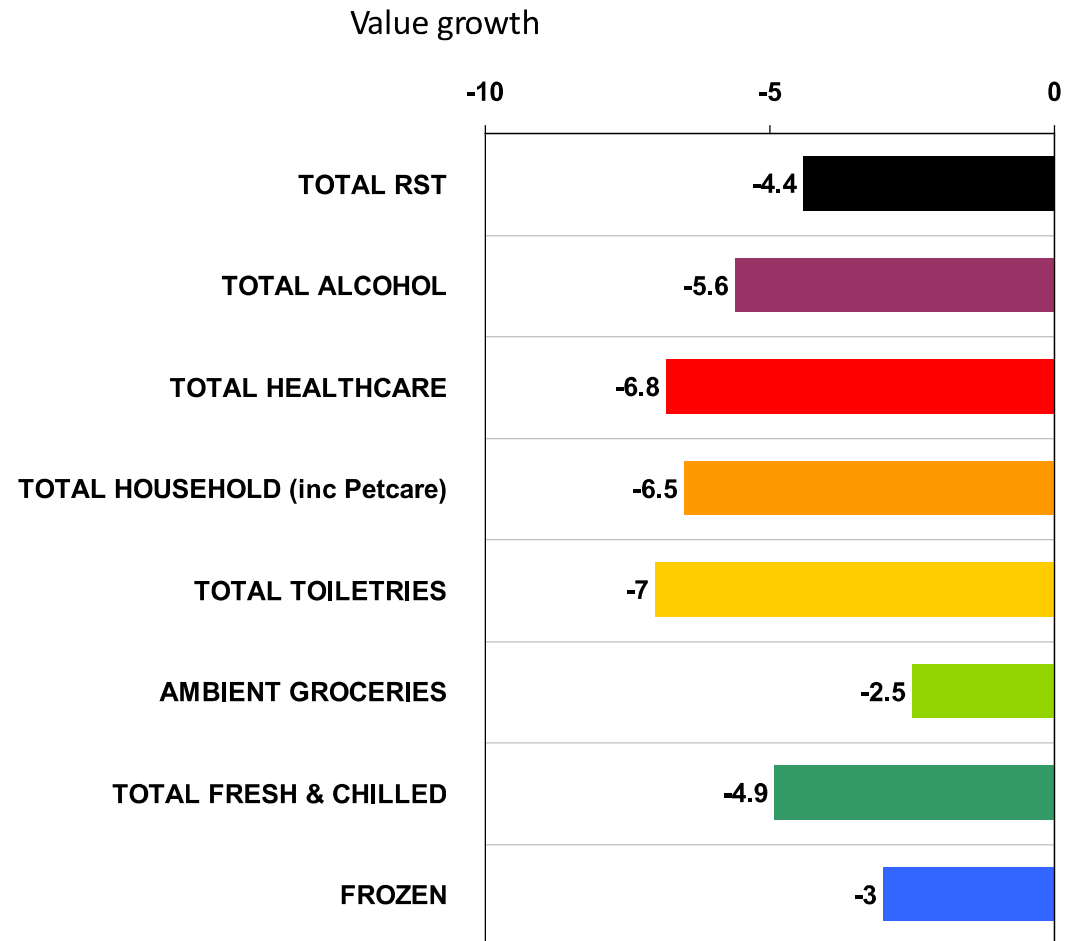
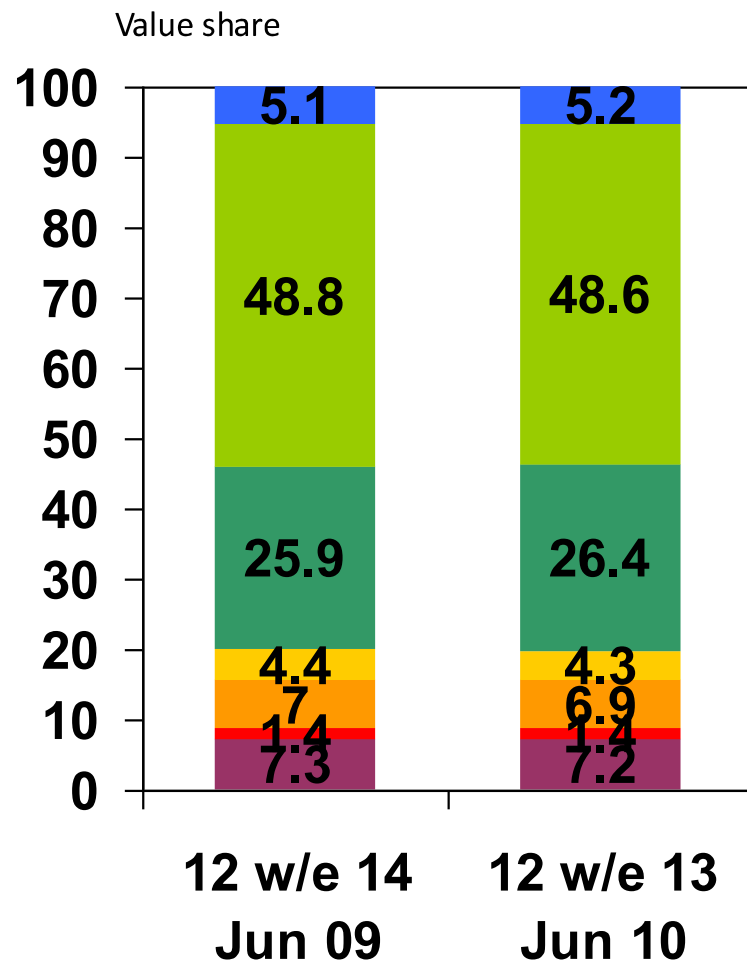
Which sector is driving market growth annually? Total Outlets

52 w/e 13 June 2010... All categories are declining over the past year – toiletries have shown the most decline while ambient groceries decline slower than the market average.



Which sector is driving market growth quarterly? Total Outlets

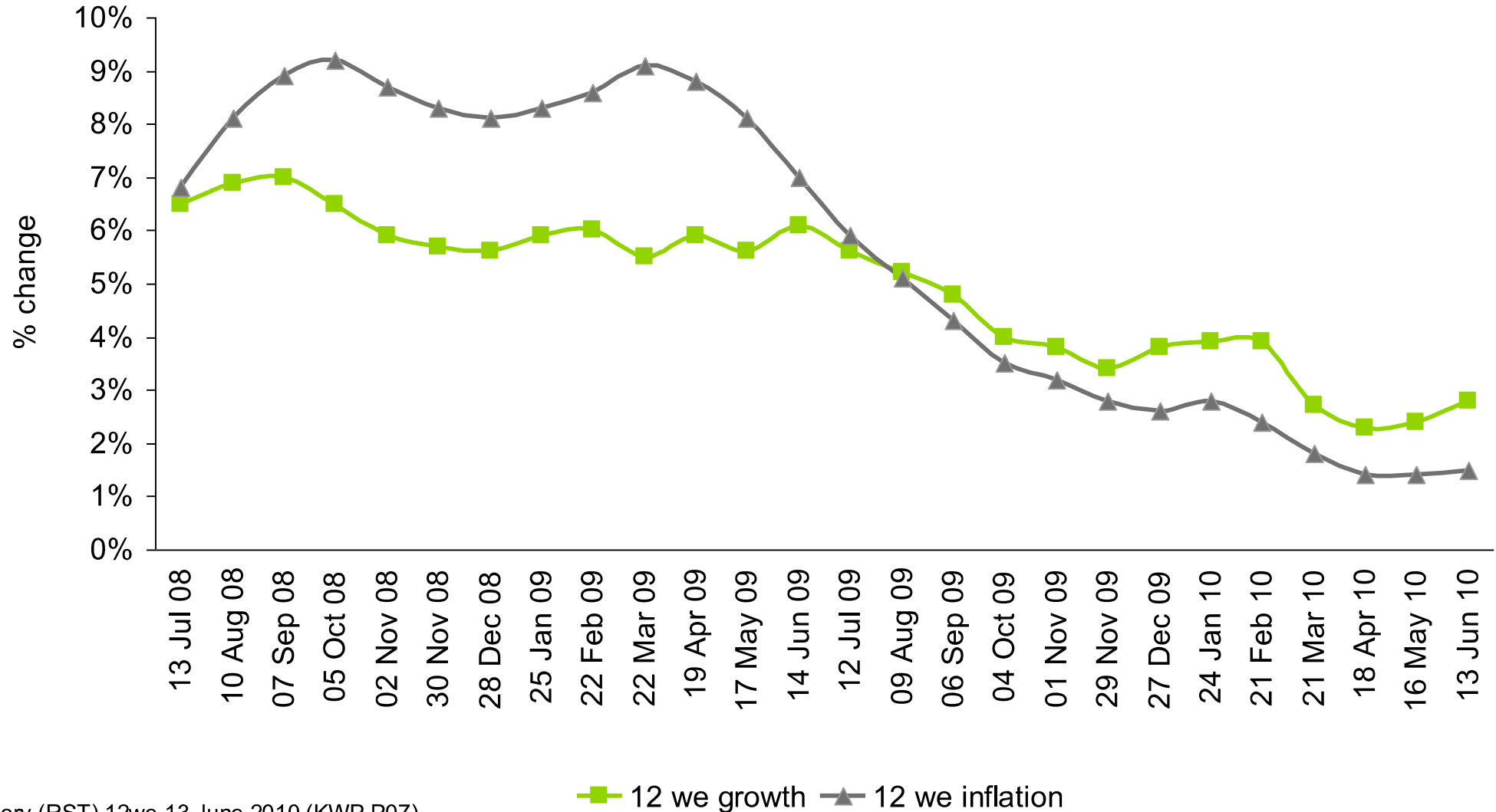
12 w/e 13 June 2010... Like on an annual basis all categories are showing decline, however the decline among frozen, and fresh and chilled slows on a 12 w/e basis. The total RST decline is also slowing from -5.7% to -4.4% 12 w/e 13 June 10



Brief Overview of UK Market

Market Growth & Inflation

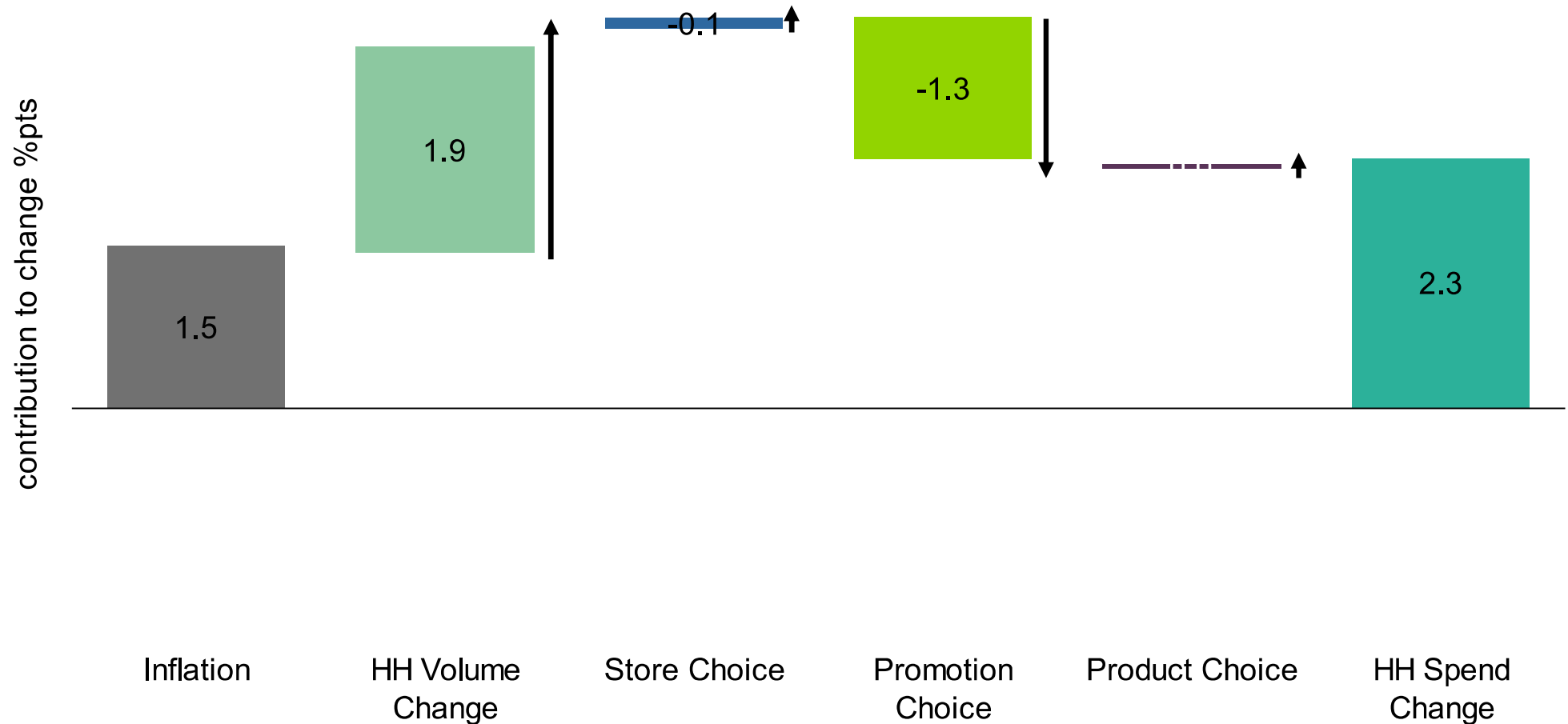
Small upturn in market growth as inflation remains at 1.5%



Grocery (RST) 12we 13 June 2010 (KWP P07)

Grocery Coping Strategies

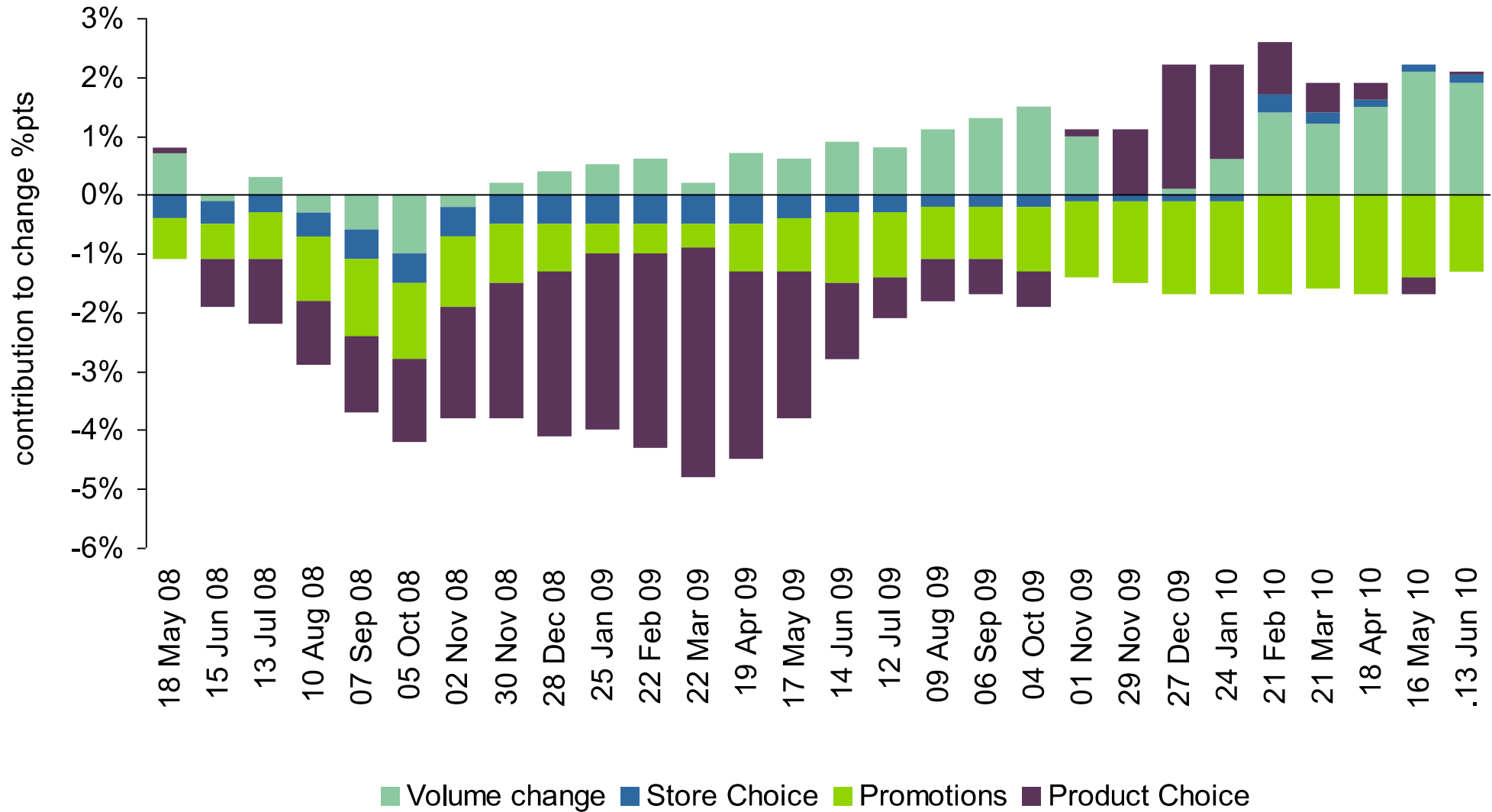
Increased volume is the key contributor to the gap



Grocery (RST) 12we 13 June 2010 (KWP P07)

Grocery Coping Strategies

The trend continues to be driven by volume but falls back on last period



Grocery (RST) 12we 13 June 2010 (KWP P07)