A Summary Update of the Irish Grocery Market to 3rd October 2010

KANTAR WORLDPANEL High definition inspiration

© Kantar Worldpanel

Grocery Performance Summary

- The total grocery market continues to come out of decline with value growth for the latest 12 weeks now at 1.2%. With the number of sub-markets in growth steadily increasing, overall market recovery is becoming more evident.

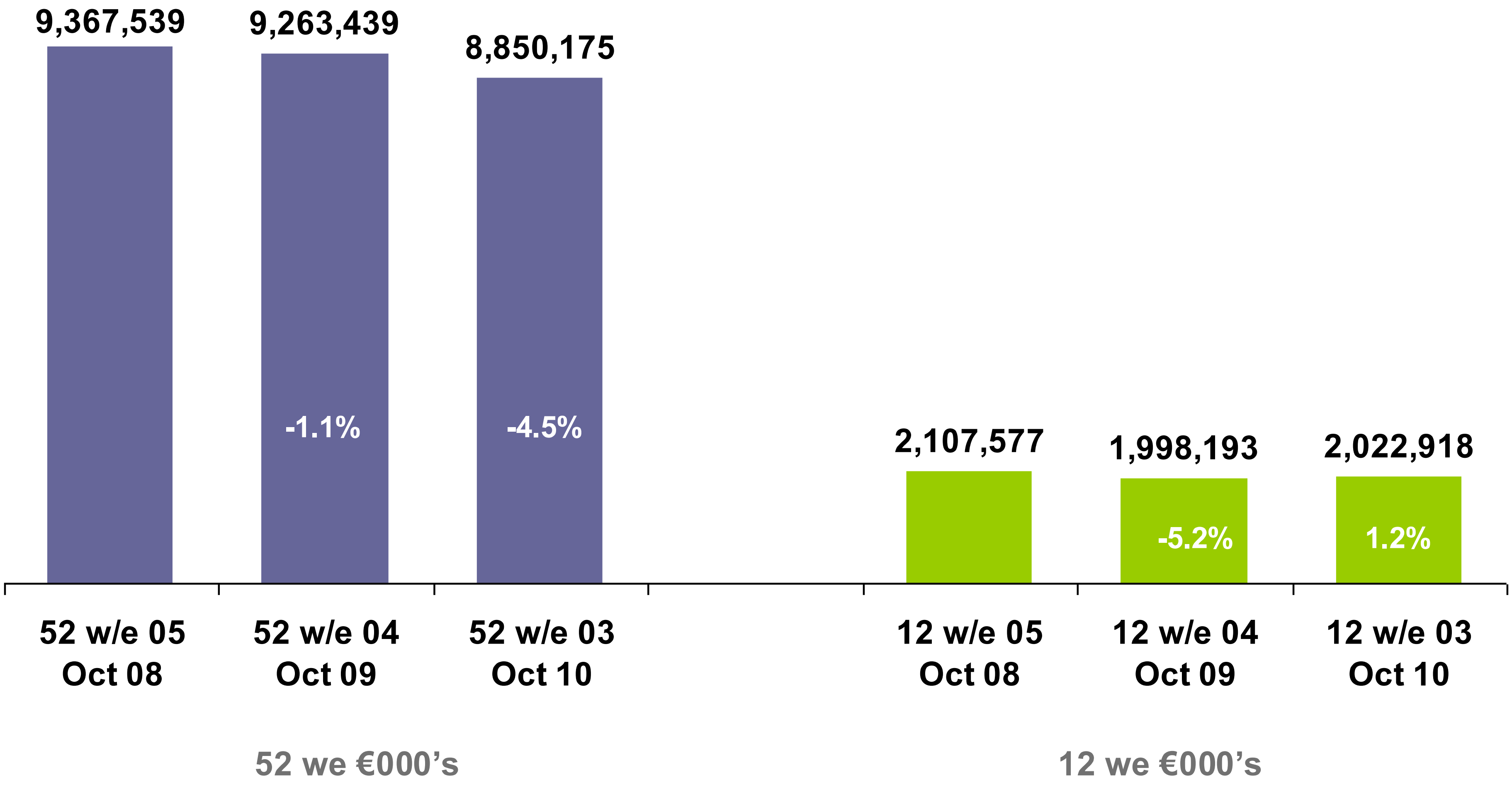
- Shopper spend is not rising in line with inflation in the latest period. Value growth remains flat over the latest month.

- Frozen food is driving the volume (pack) growth while the value growth is driven by the household sector.

© Kantar Worldpanel

HOW IS THE TOTAL GROCERY MARKET PERFORMING?

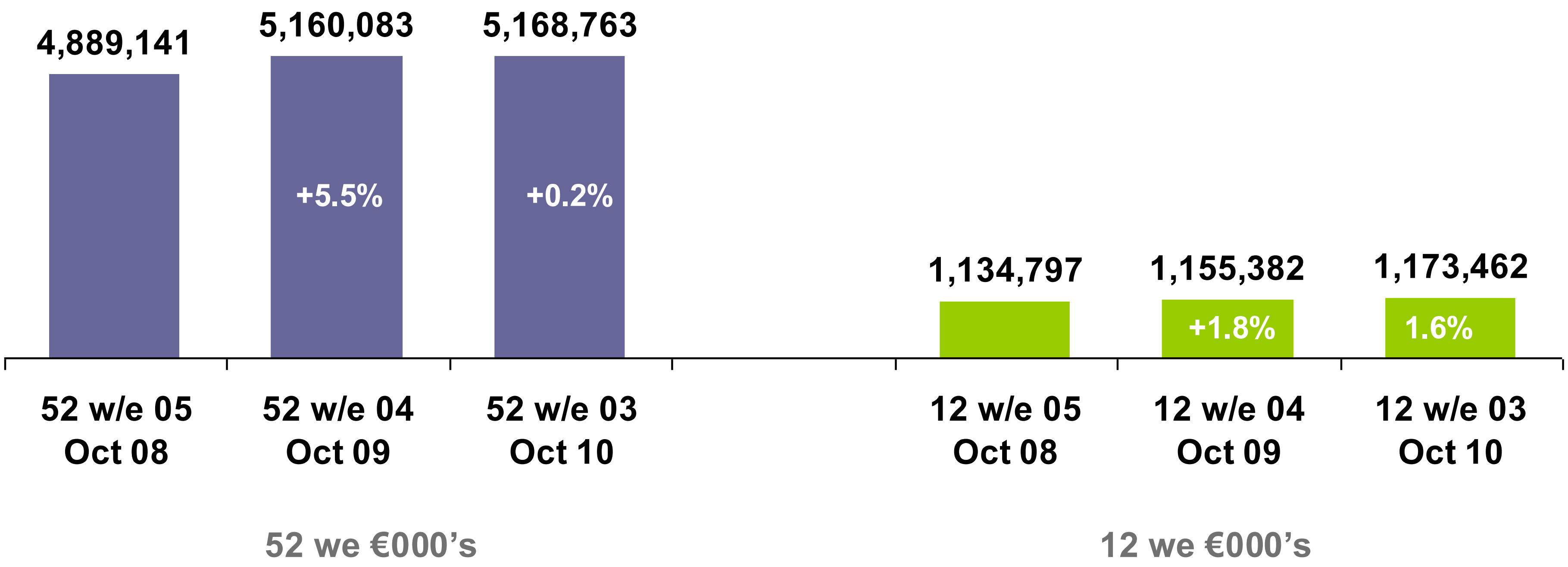
52 & 12 WEEKS ENDING
ROI GROCERY MARKET COMES OUT OF DECLINE ON A 12 WEEK BASIS



© Kantar Worldpanel

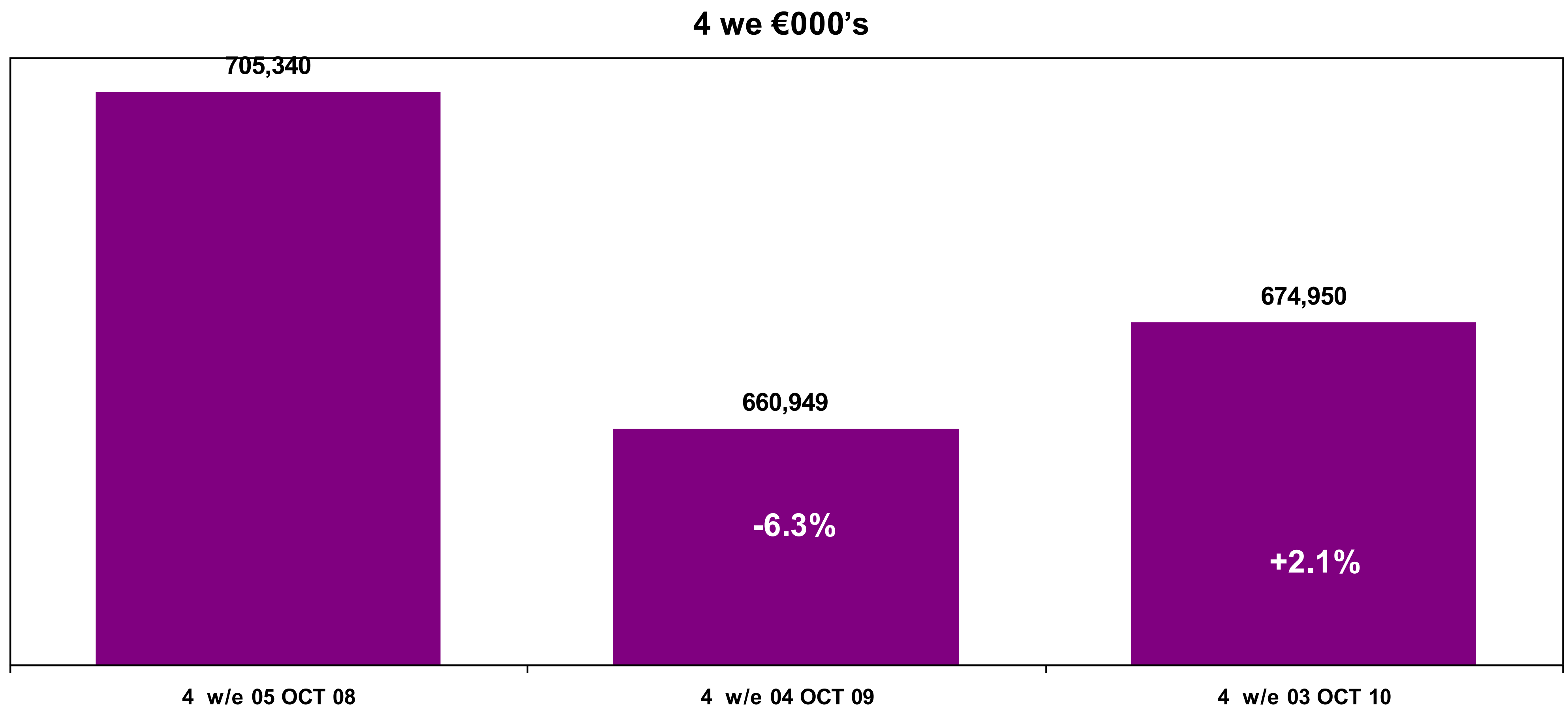
HOW IS THE TOTAL GROCERY MARKET PERFORMING (PACKS)?

52 & 12 WEEKS ENDING 03th OCT 2010 – VOLUME GROWTH



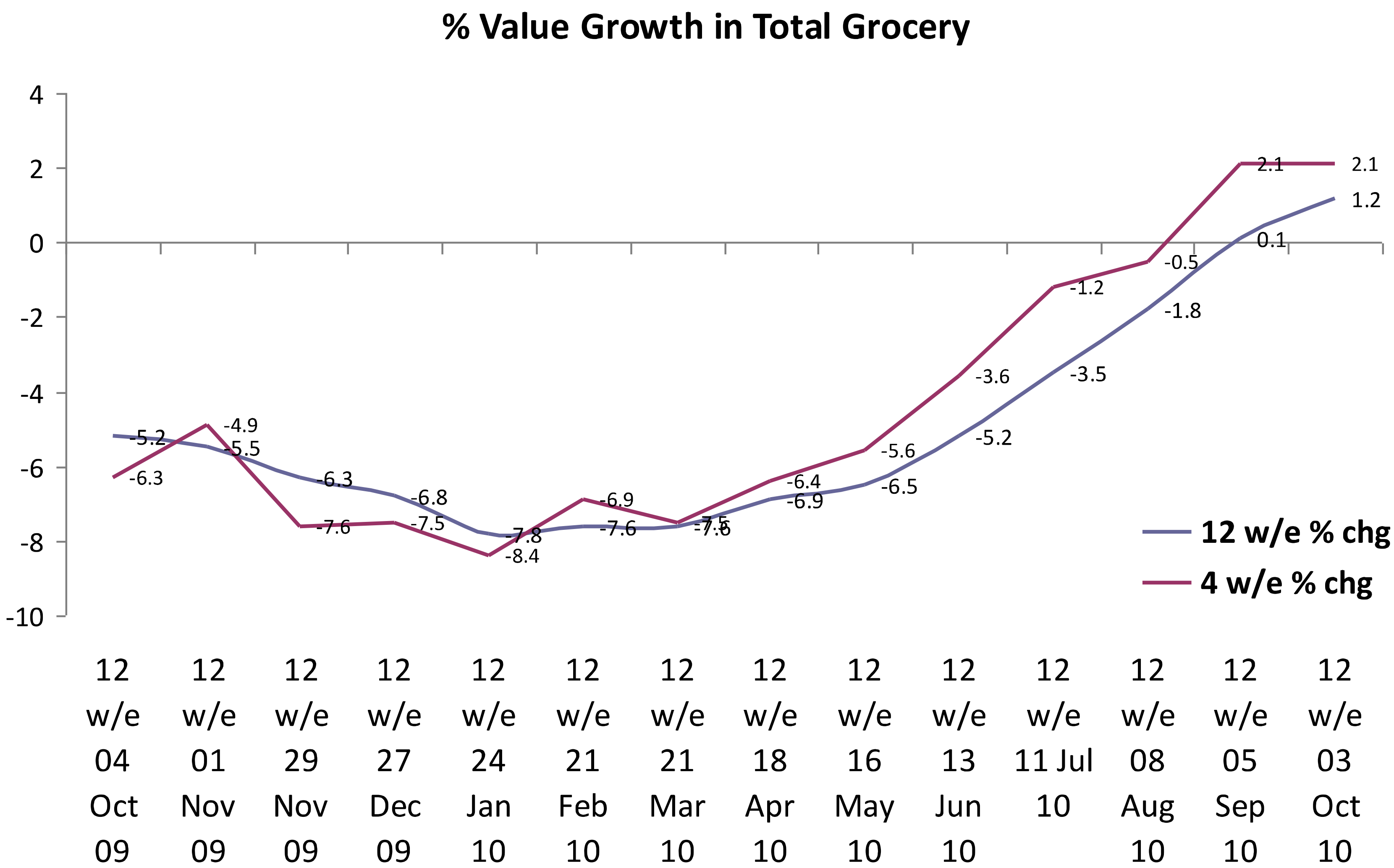
© Kantar Worldpanel

HOW IS THE TOTAL GROCERY MARKET PERFORMING? 4 W/E



© Kantar Worldpanel

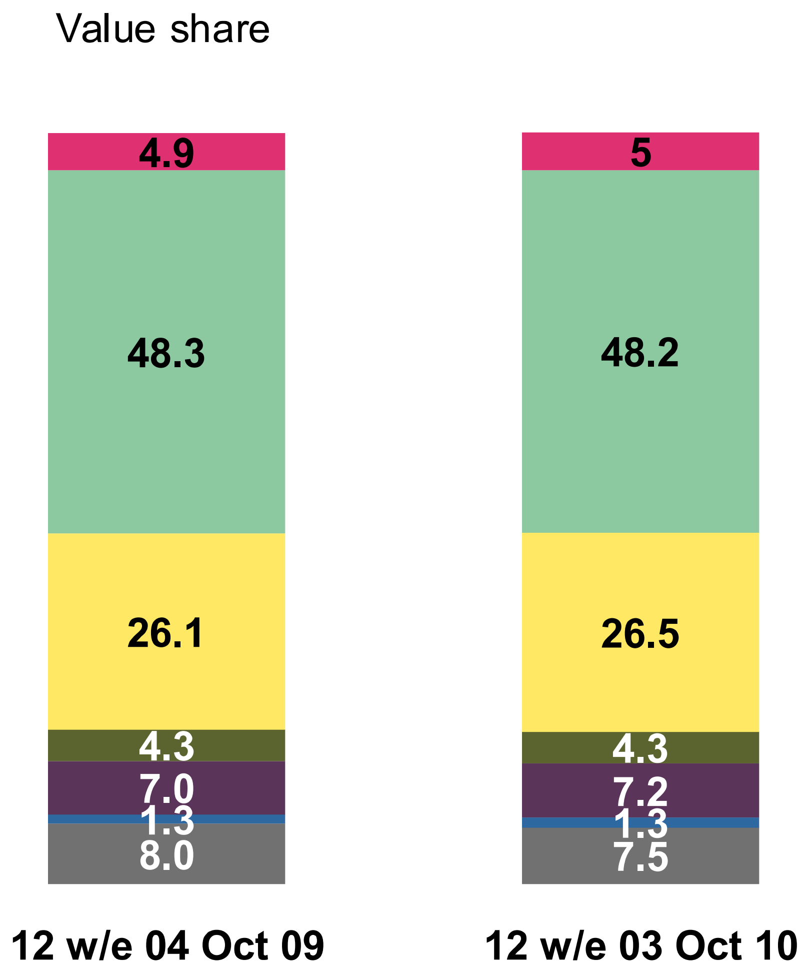
4 W/E VALUE GROWTH OF 2.1% AS THE TOTAL GROCERY MARKET COMES OUT OF DECLINE OVER SHORTHER PERIODS

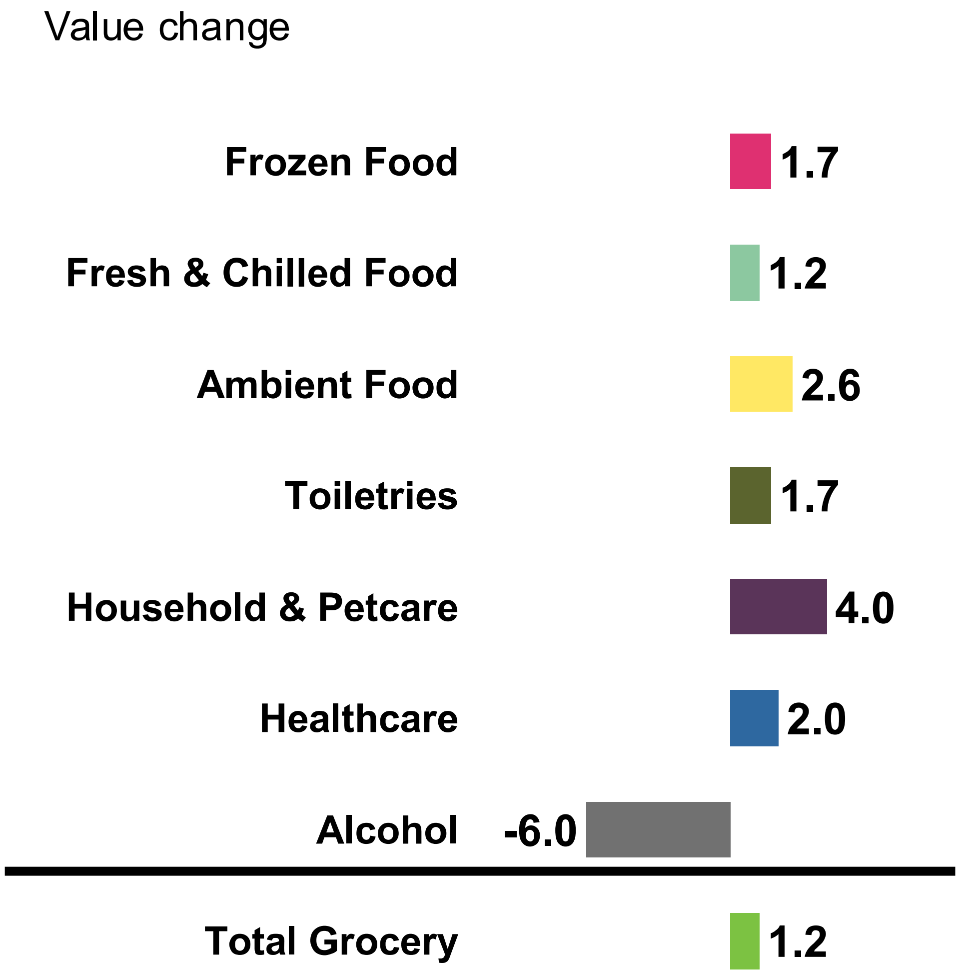


© Kantar Worldpanel

WHICH SECTOR IS DRIVING MARKET GROWTH?

12 W/E – ALCOHOL IS THE ONLY MARKET STILL IN DECLINE ON A 12 W/E BASIS WITH HOUSEHOLD DRIVING THE VALUE GROWTH

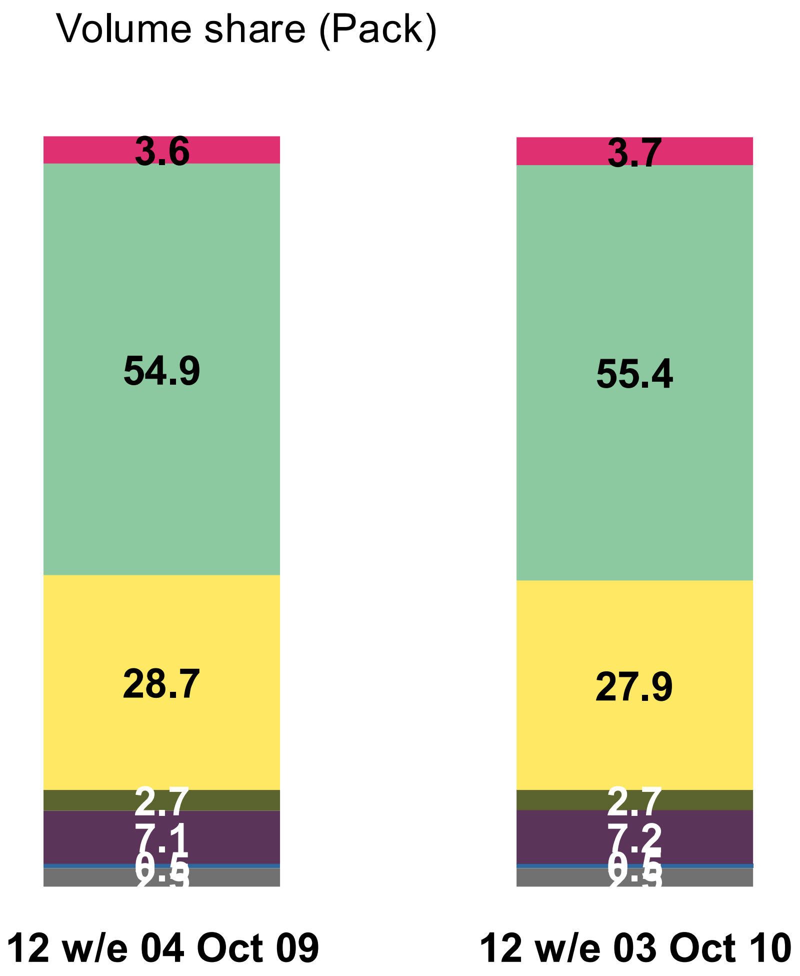


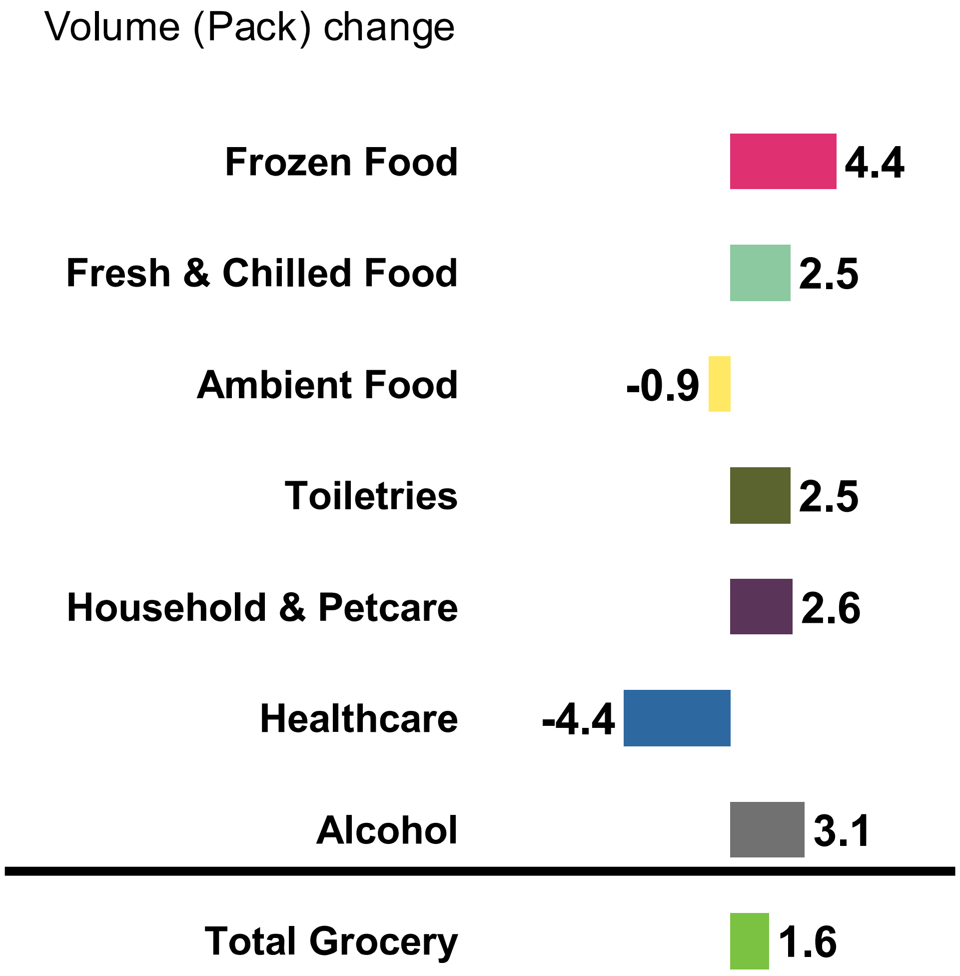


© Kantar Worldpanel

WHICH SECTOR IS DRIVING MARKET PACK GROWTH?

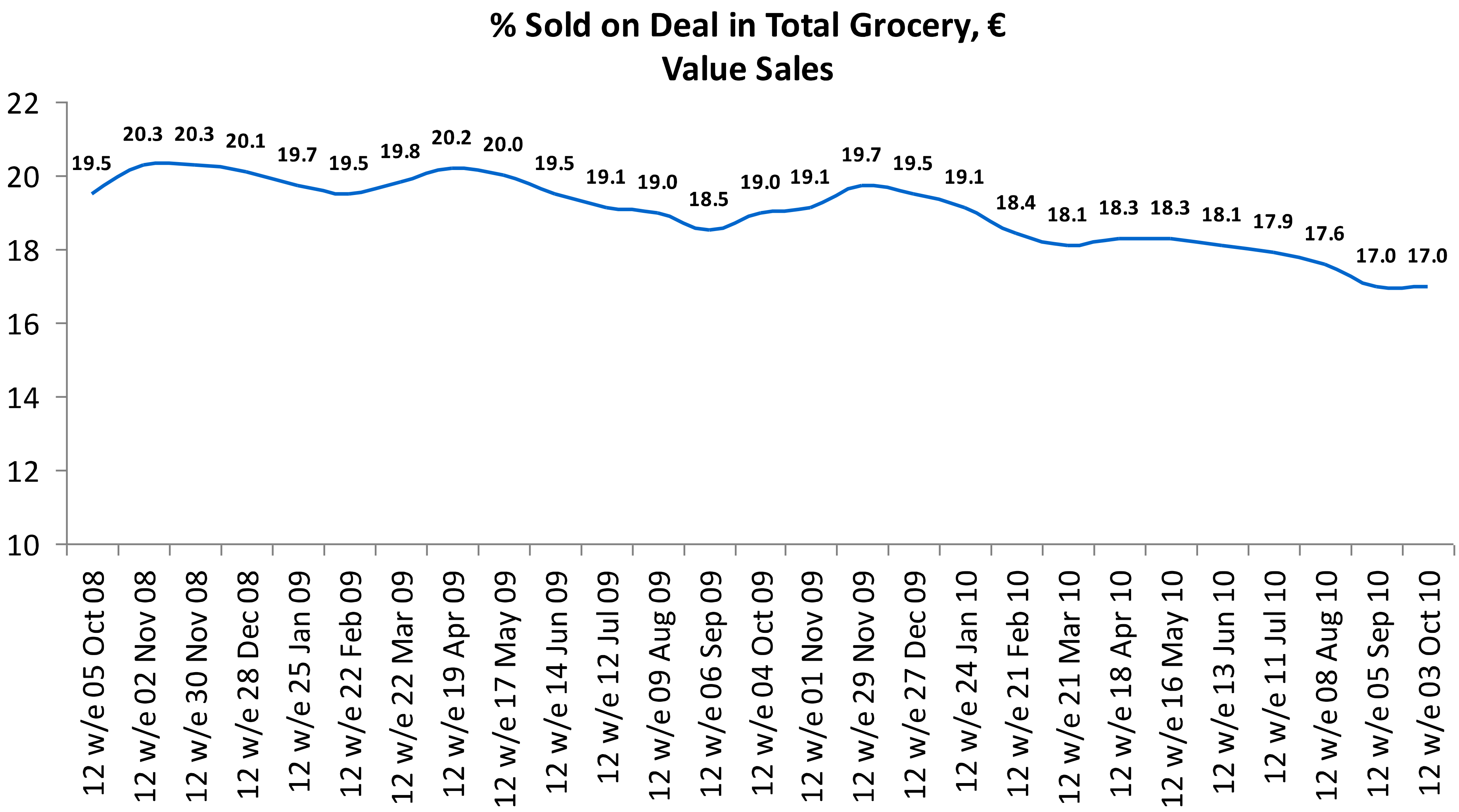
12 W/E 03 OCT 10 – FROZEN FOOD DRIVING VOLUME GROWTH FOR THE TOTAL GROCERY MARKET





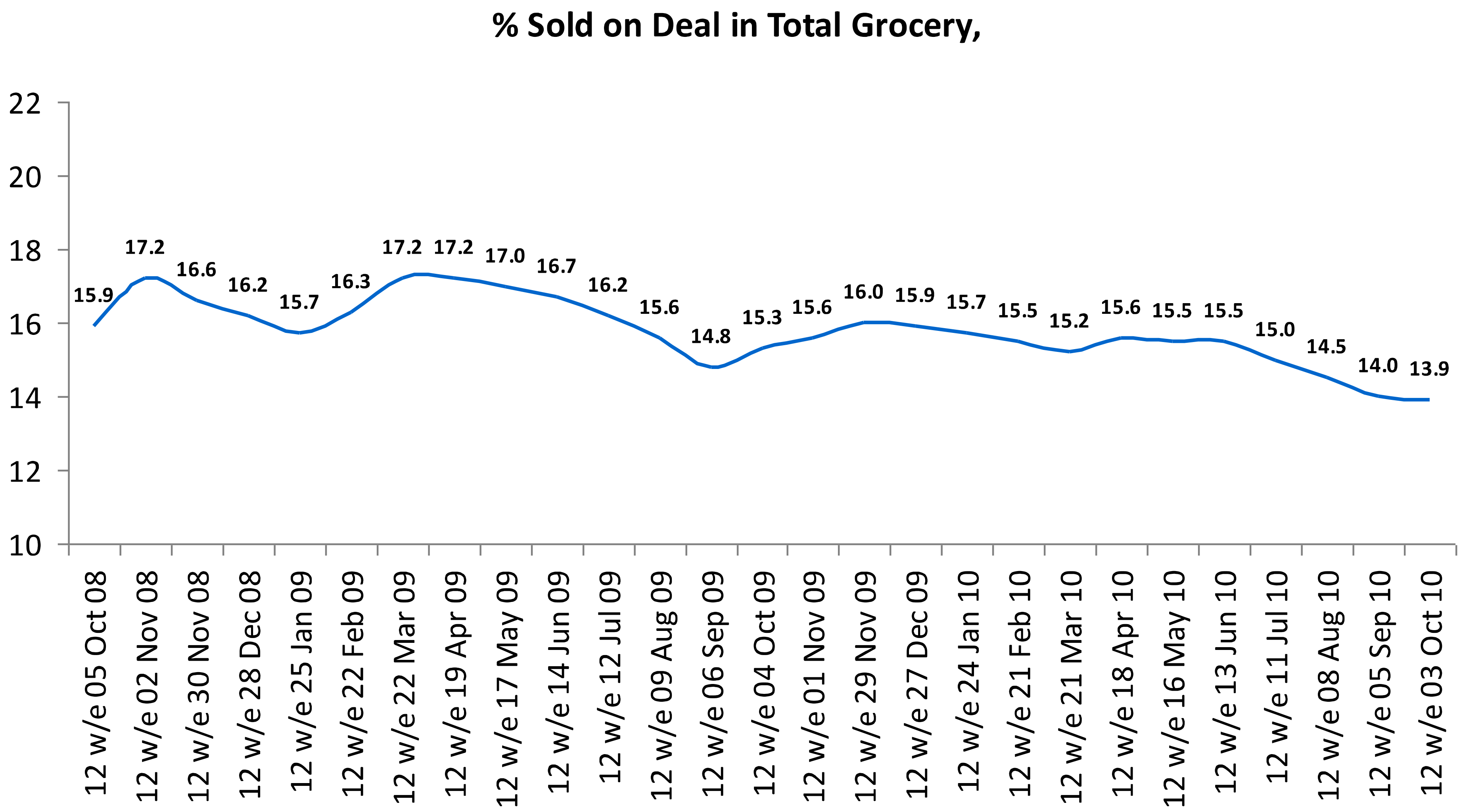
© Kantar Worldpanel

PROMOTIONAL ACTIVITY LEVELS OFF AT 17% OF ALL GROCERY SALES GOING THROUGH ON DEAL. THE LOWEST PROMOTIONAL LEVELS IN TWO YEARS HELPS TO DRIVE THE VALUE GROWTH WITHIN THE MARKET



© Kantar Worldpanel

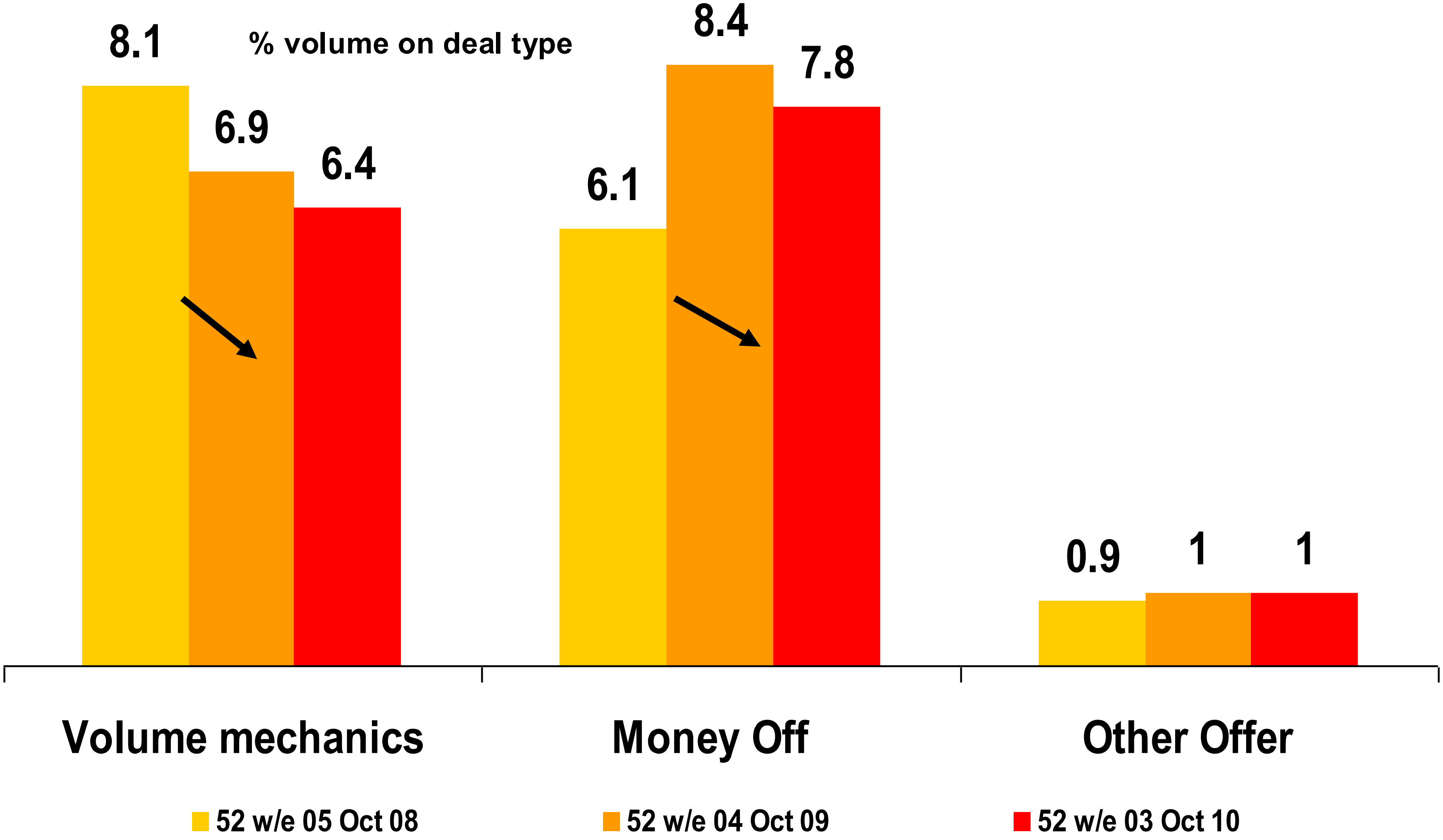
% PACK SALES SOLD ON DEAL



© Kantar Worldpanel

HOW HAVE THE PROMOTIONAL MECHANICS CHANGED?

MONEY OFF IS THE MOST POPULAR PROMOTION MECHANIC BUT THE TOTAL ON OFFER DECLINES THIS YEAR



© Kantar Worldpanel

PRIVATE LABEL

The average shopper spent **€1,827** on Private Label products this year

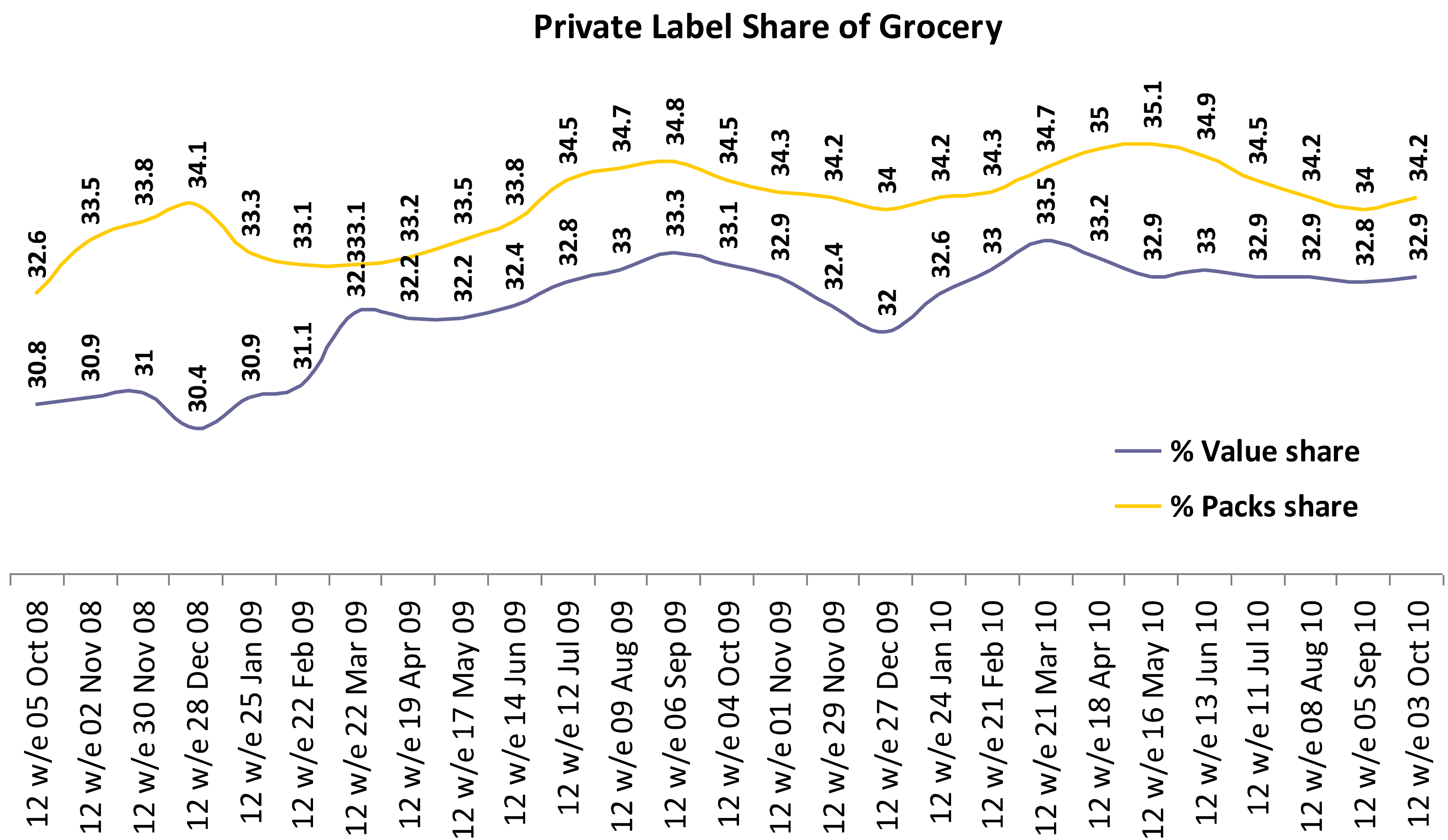
Private Label products featured in **66%** of all shopping trips

In the latest year Private Label products were worth a total of **€2,9bn**

There are currently **30,730** Private Label SKUs in the ROI market, **+27%** more than in 2008

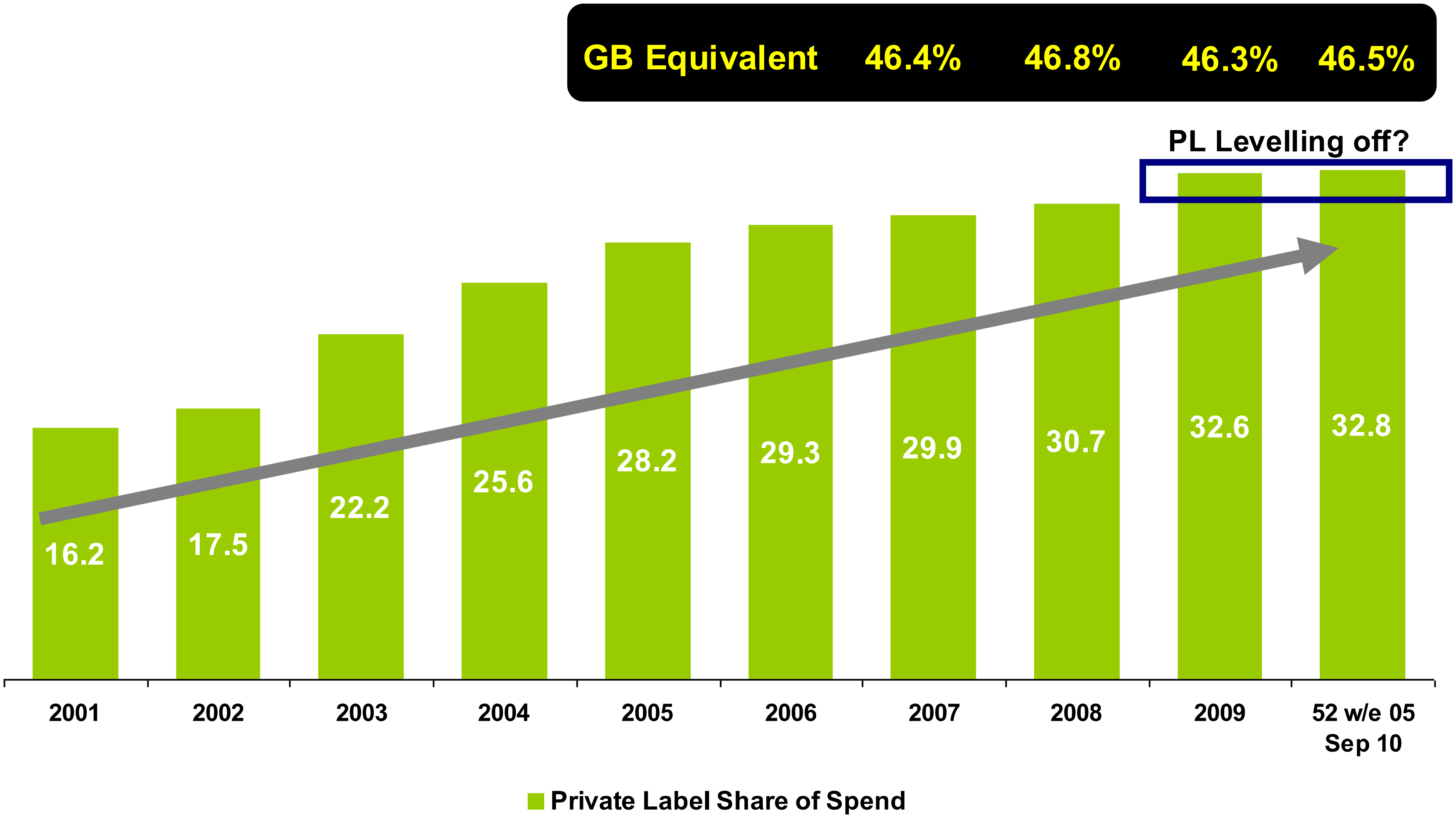
© Kantar Worldpanel

Private label has stabilised at a third of the market share



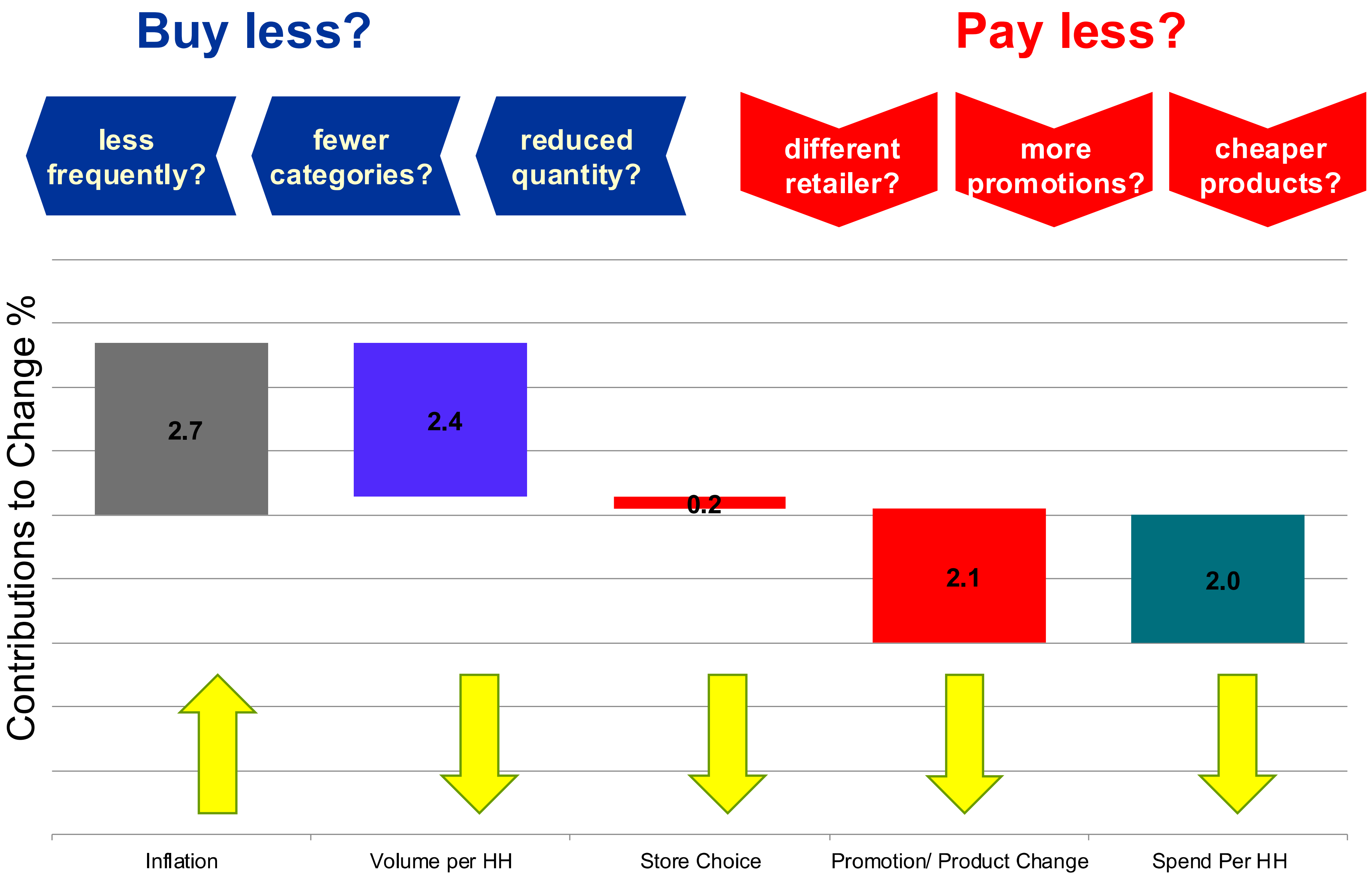
© Kantar Worldpanel

PRIVATE LABEL HAS GROWN SHARE STEADILY OVER THE LAST 10 YEARS



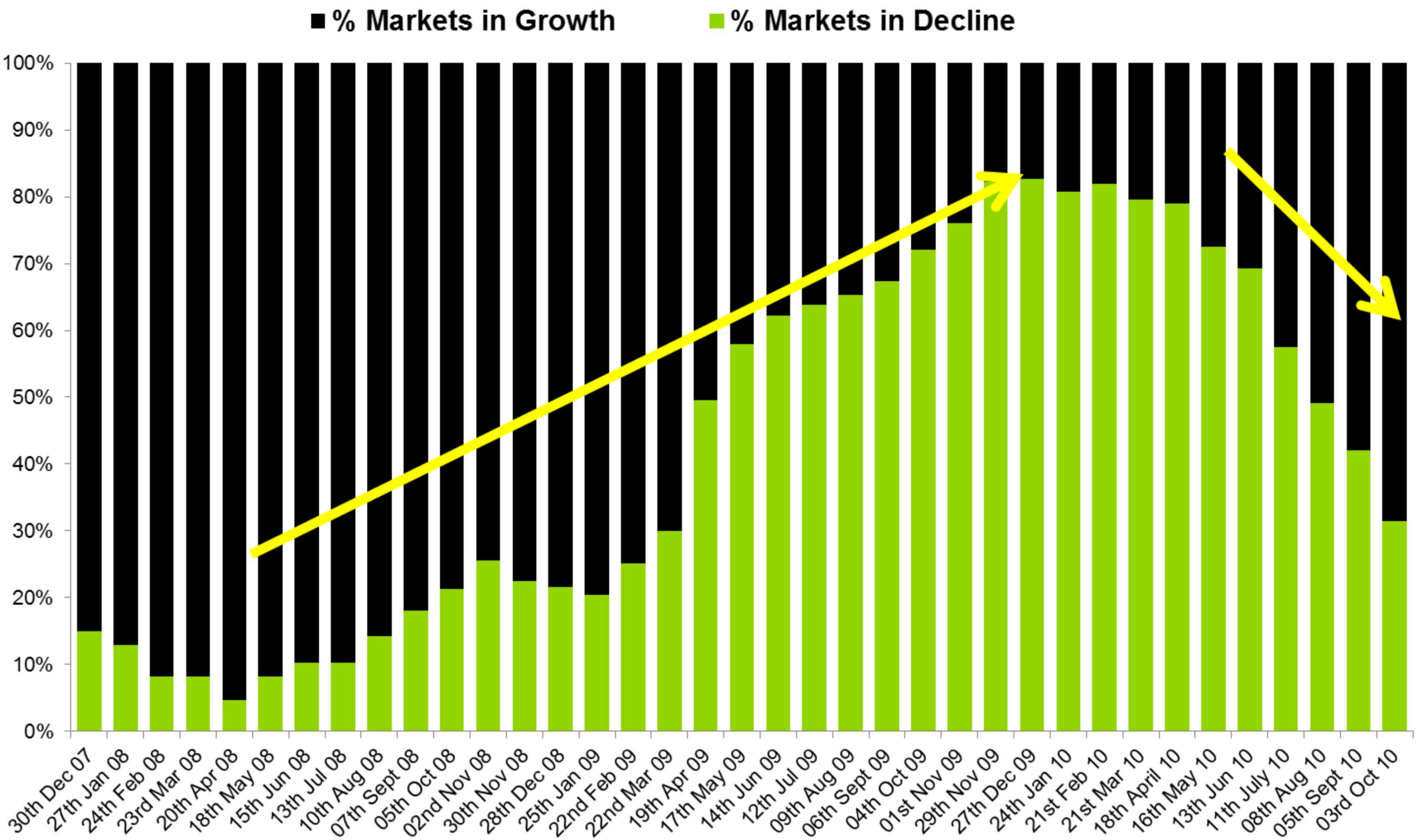
© Kantar Worldpanel

Total Grocery– Key Dynamics to 03 October 2010



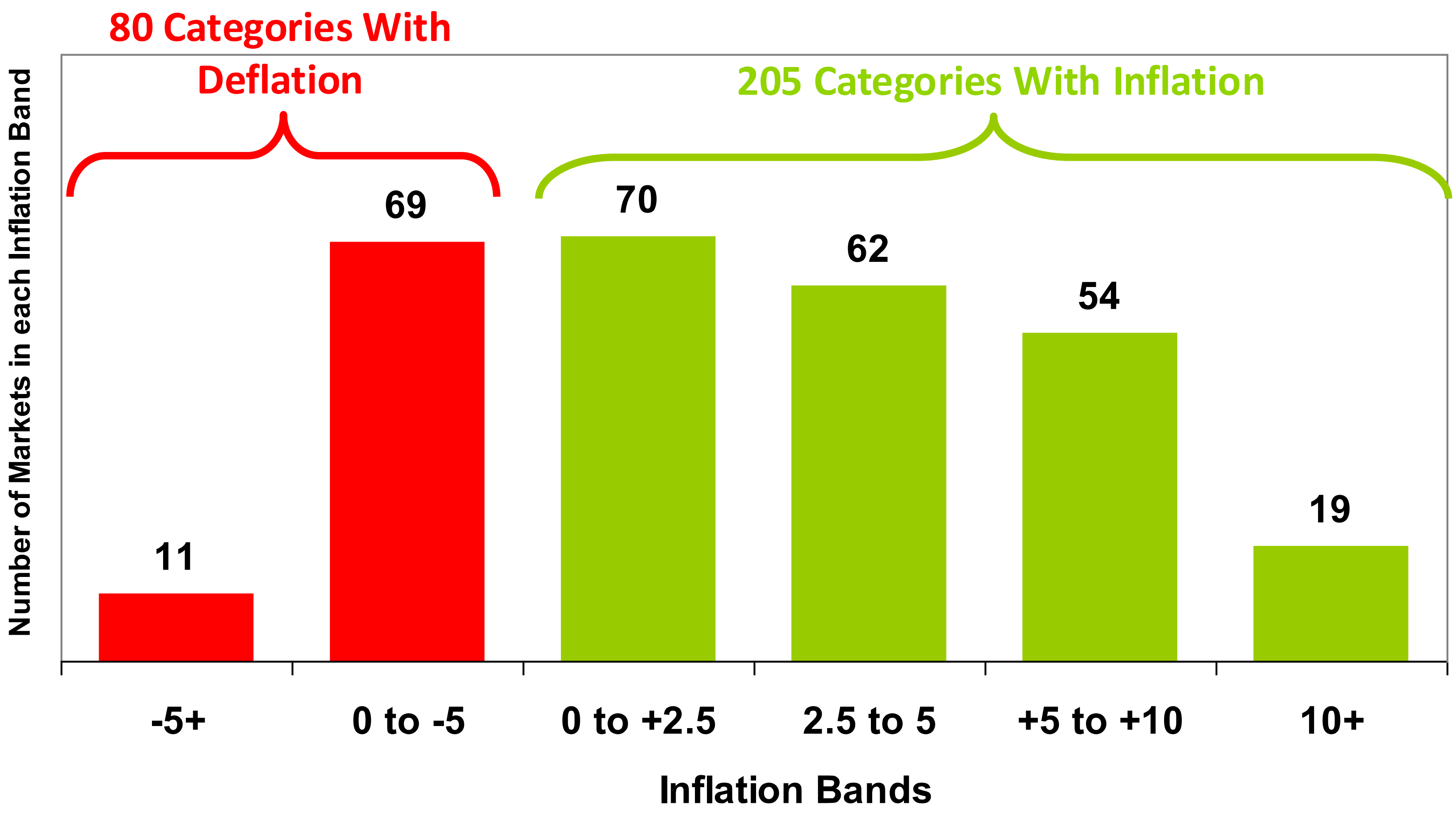
© Kantar Worldpanel

% Markets in Growth vs Decline



© Kantar Worldpanel

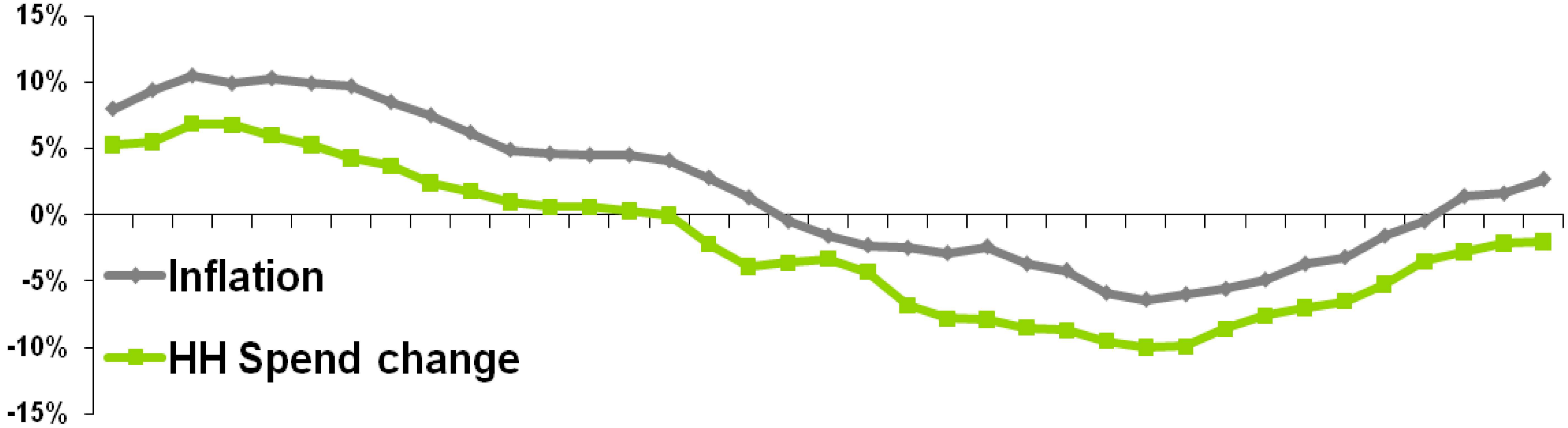
We now have more categories with prices going up



© Kantar Worldpanel

Total Grocery evolution – Inflation and shopper reaction

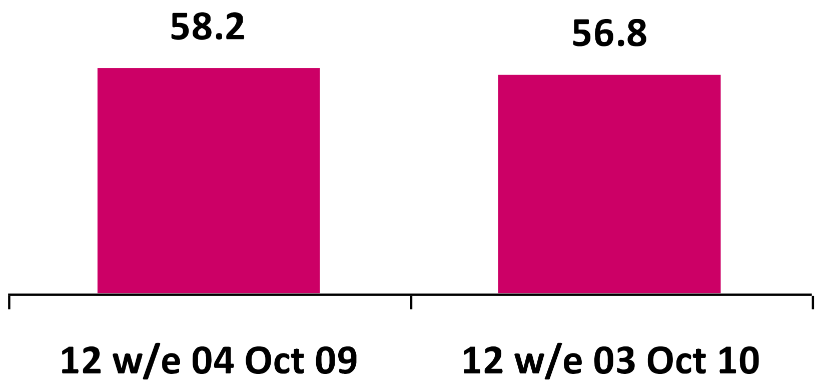
Although inflation continues to rise, shopper spend remains flat. Household spending is not in line with rising inflation.



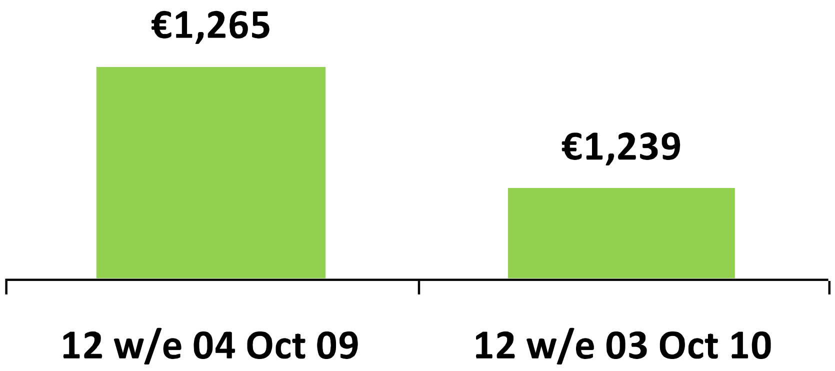
© Kantar Worldpanel

So what is the effect on shopper behaviour?

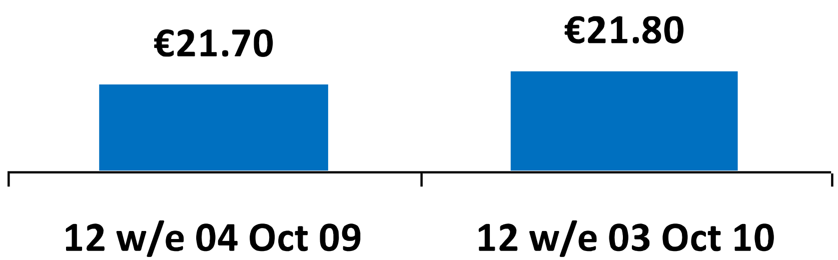
No of Trips per Household



Average Spend per Household

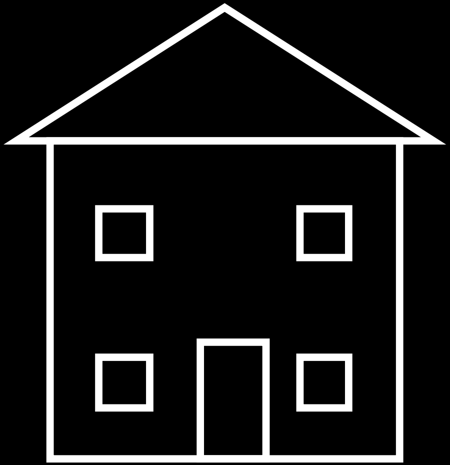
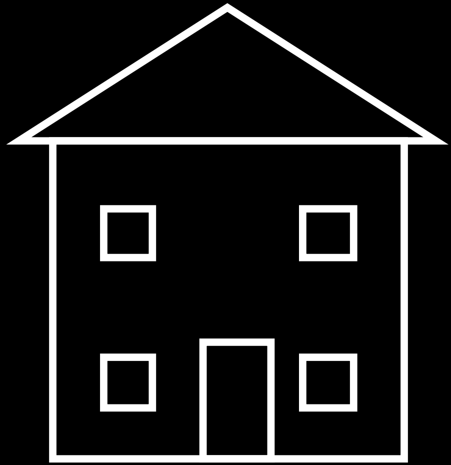


Spend per Trip

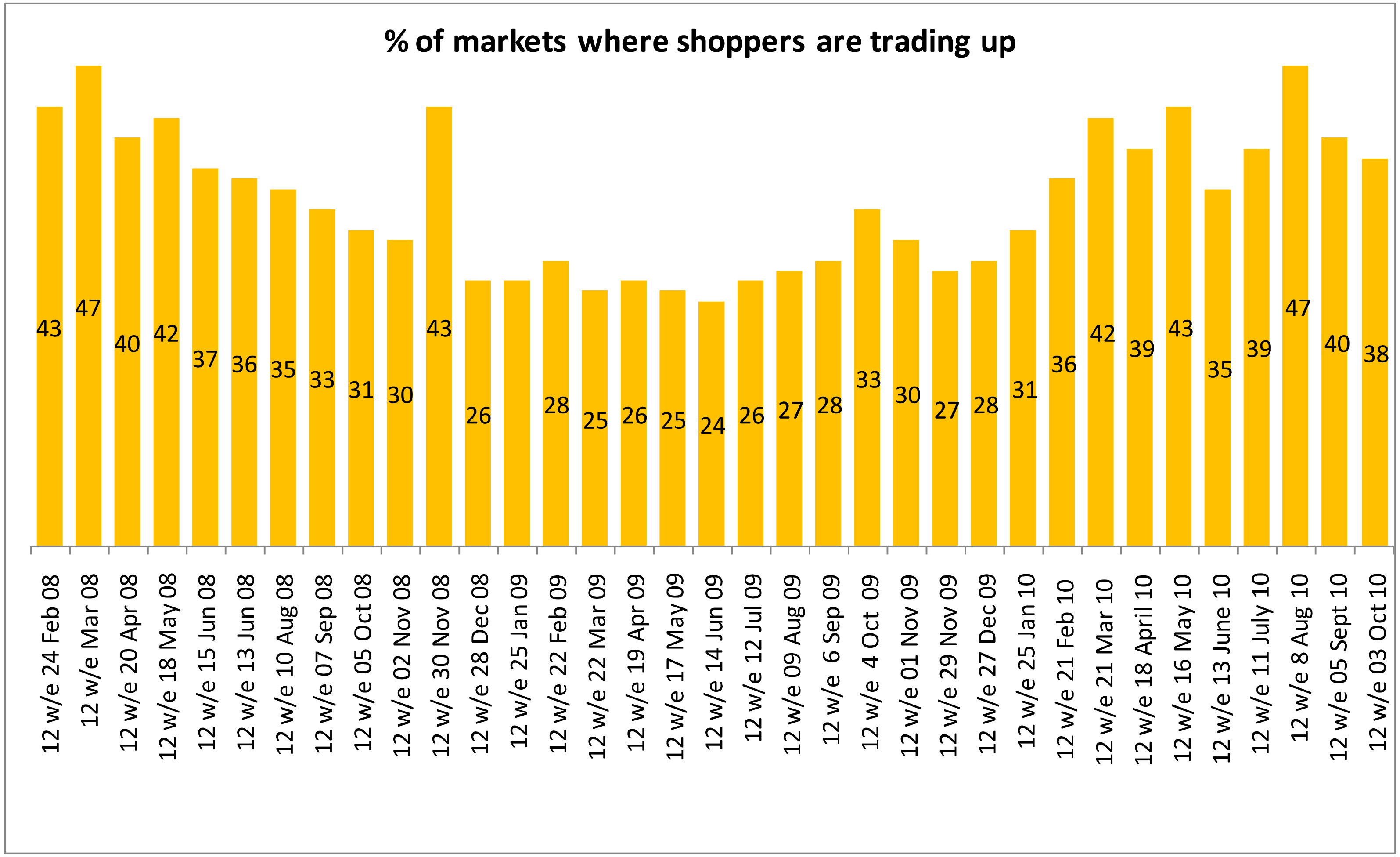


People aren't shopping around as much this quarter and spend less vs. this time last year.

© Kantar Worldpanel

2008		2010
		
Shop 241 Times	**+4%**	Shop 250 Times
Within 6.5 Different Stores	**+7%**	Within 7 Different Stores
Full Store Trolley Missions	**-9%**	Top Up Baskets
Spend €25.6 Each Time	**-13%**	Spend €22.3 Each Time
Adding to €6,172 on Groceries	**-10%**	Adding to €5,572 on Groceries

The number of markets where shoppers are choosing more expensive or non-promoted products has dropped slightly this quarter.

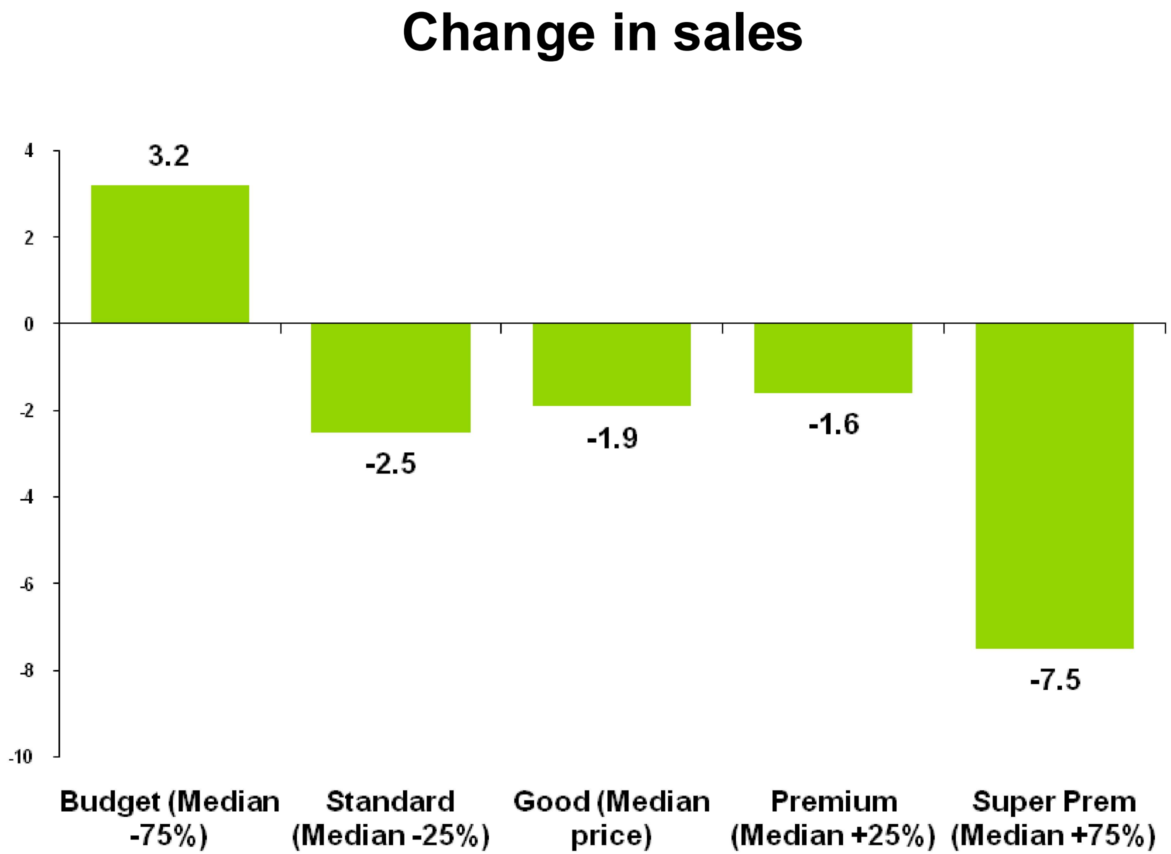


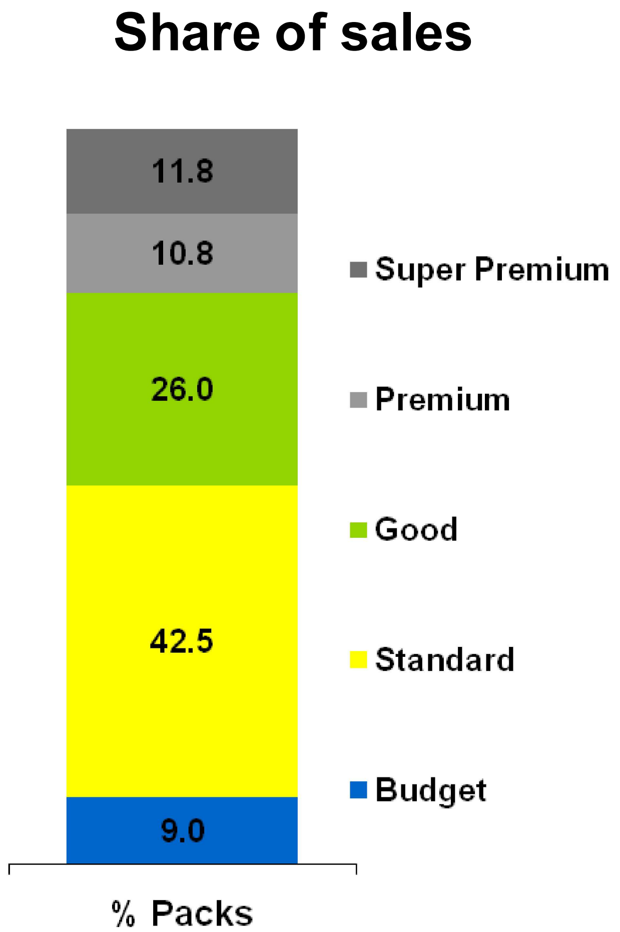
© Kantar Worldpanel

Total Grocery Packs Growth by Price Brand

Consumers continue to opt for lower priced products

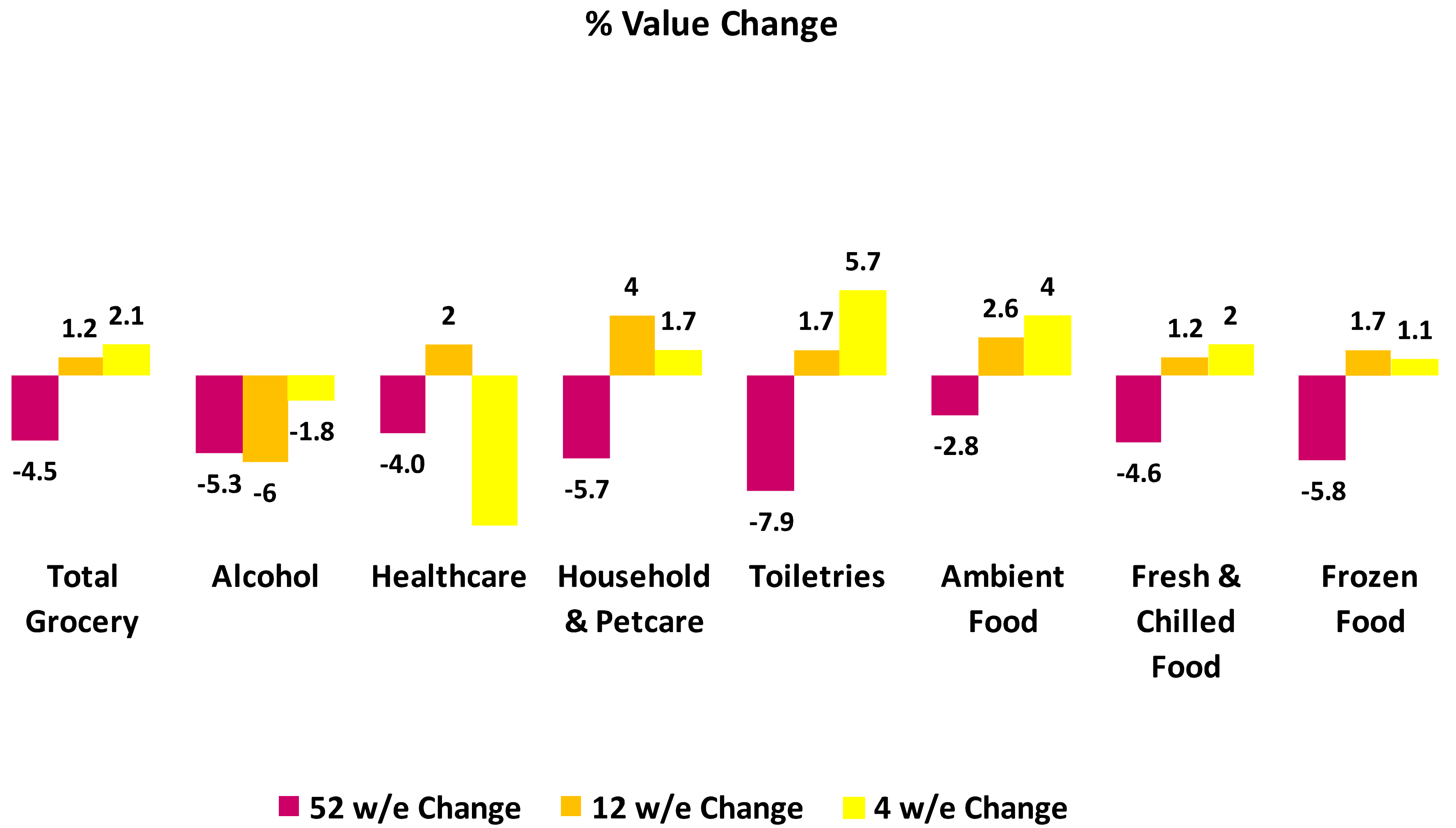
Growth in RST sales (Packs)





© Kantar Worldpanel

ALCOHOL IS THE ONLY MARKET STILL IN DECLINE OVER ALL PERIODS. TOILETRIES AND AMBIENT FOOD ARE SHOWING STRONG GROWTH IN THE LATEST 4WEEKS



© Kantar Worldpanel

DISCOUNTER OVERVIEW - SUMMARY

- Discounters continue to grow. In the last ten years they have managed acquire 9.6% of value share, and 13.4% of volume.
- Discounters have attracted 1,351,185 households over the last year
- Footfall for the discounters is increasing by over 400 visits per week. Consumers are becoming more loyal and return to the discounters every ten days.
- Average basket size is €19.00, dropping slightly this period.
- Yearly growth for the discounters is driven by Alcohol and fresh and chilled.

Discounters continue growth through store openings. Combined, Aldi and Lidl currently have 195 stores

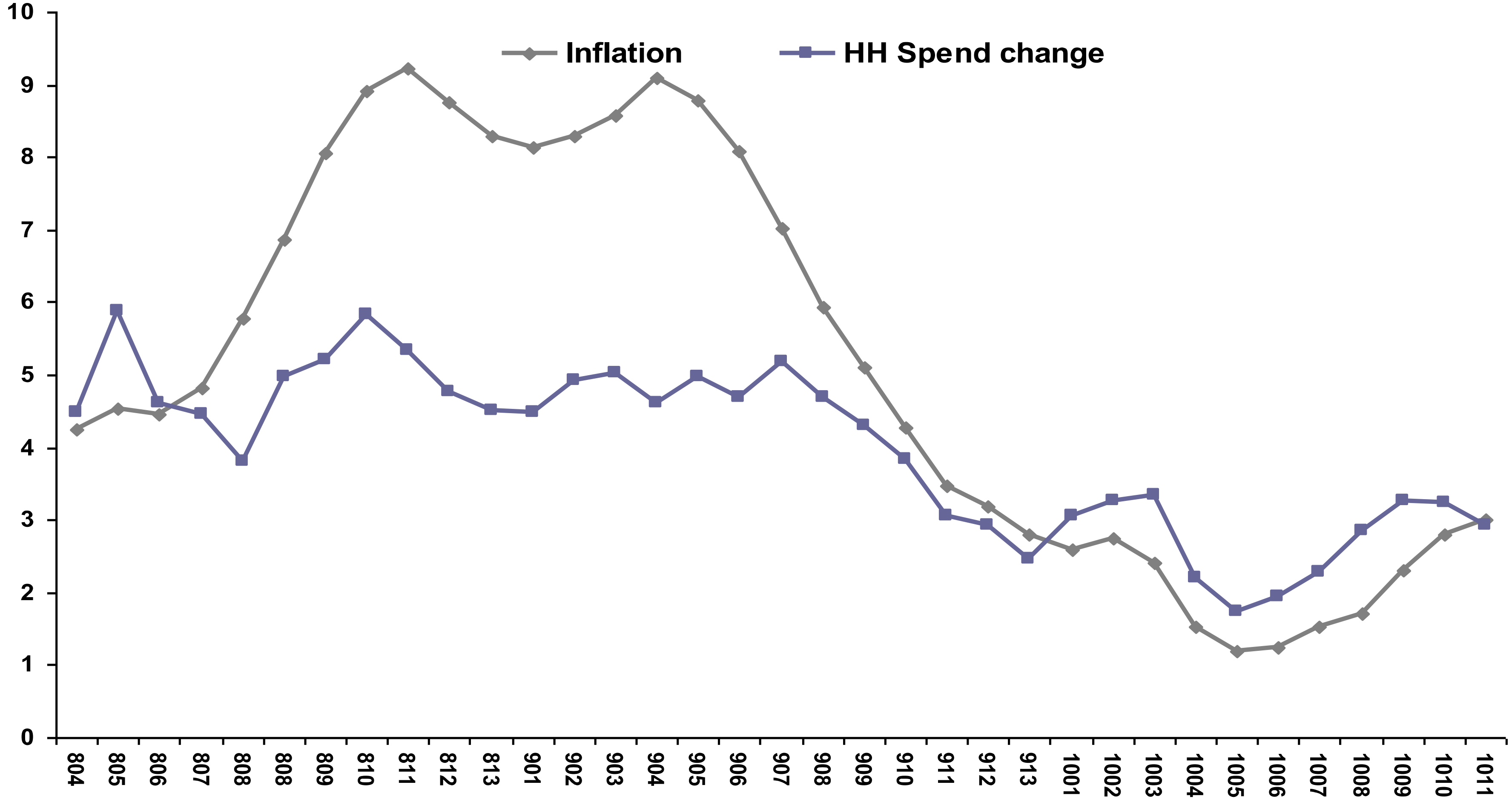
© Kantar Worldpanel

Brief Overview of UK Market

© Kantar Worldpanel

UK Grocery evolution – Inflation and shopper reaction

We are seeing inflation rate above average household spend for the first time this year



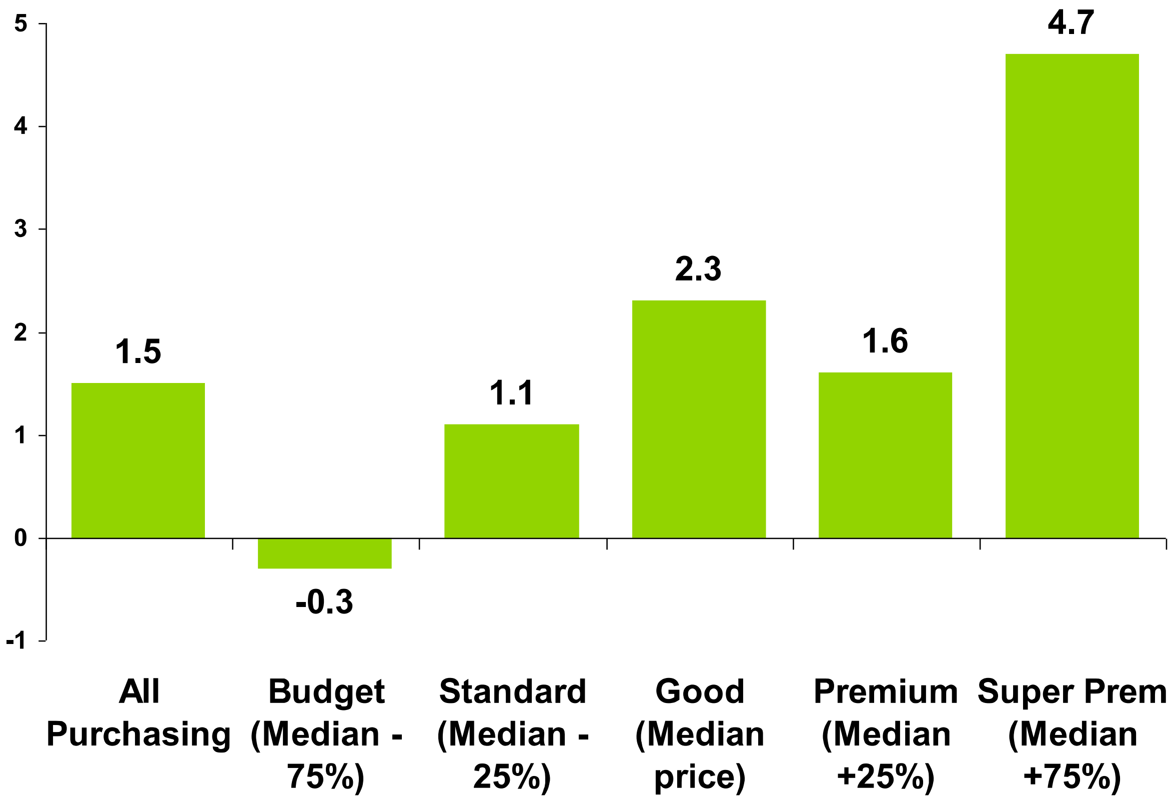
© Kantar Worldpanel

UK Total Grocery Packs Growth by Price Brand

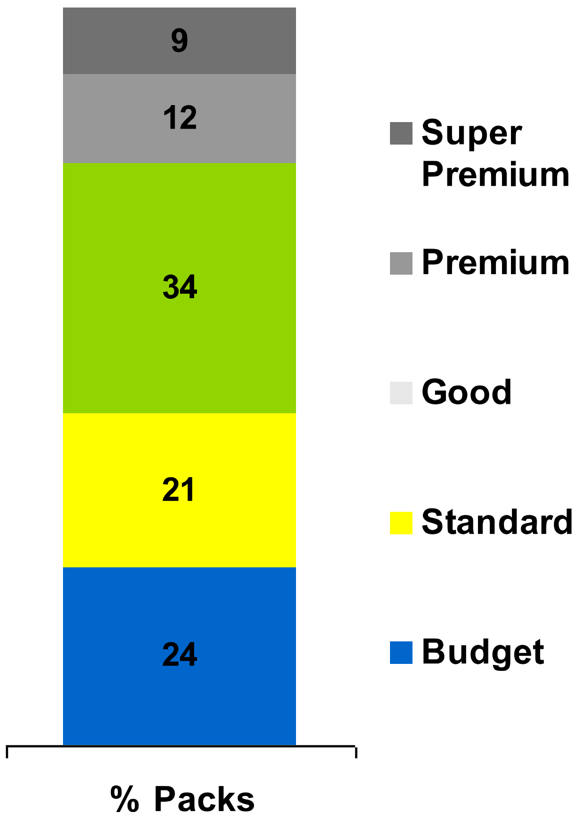
Premium products are driving growth in the UK

Growth in Grocery sales (Packs)

Change in sales



Share of sales



© Kantar Worldpanel

UK Grocery update to 03rd Oct 2010

- As expected, inflation has increased again to 3.0 and we can expect this to continue until the end of the year.

- Average price per pack continues to rise with inflation.

- Majority of retailers are in growth.

- Promotional activity is the main factor used by households to reduce their spending.

© Kantar Worldpanel