



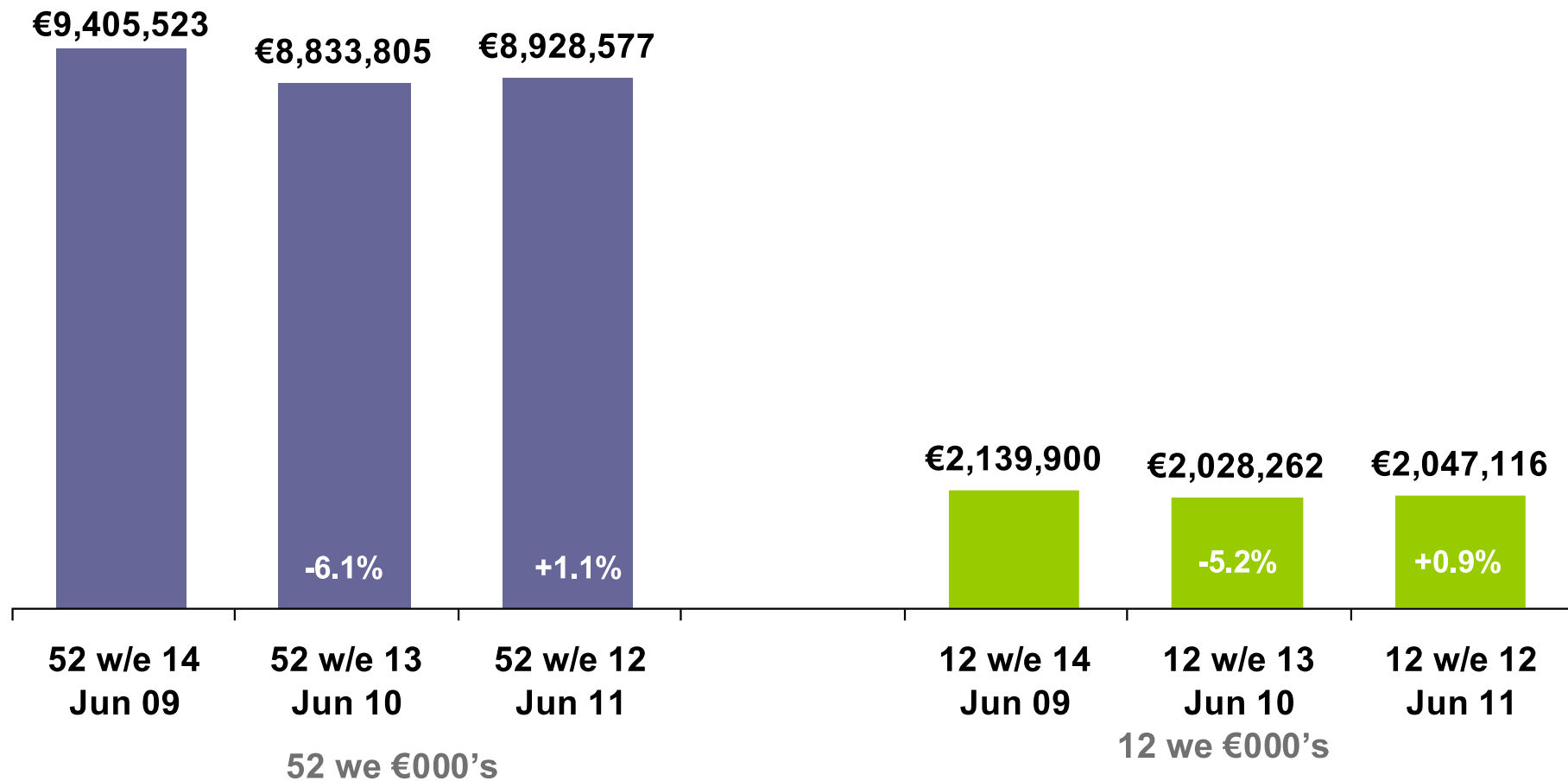
# A summary Update of the Irish Grocery Market Data to 12<sup>th</sup> June 2011

## Grocery Performance Summary

- The 52 week market value sales have turned around and is showing growth of +1.1% year on year. The latest quarter shows market value growth at +0.9% year on year.
- Price inflation continues to bring value into the market but shoppers cut back on volume bought.
- Shoppers continue to battle price inflation by reducing spend by trading down to a cheaper product, shopping in cheaper stores, buying on promotion or buying own label products.

## HOW IS THE TOTAL GROCERY MARKET PERFORMING?

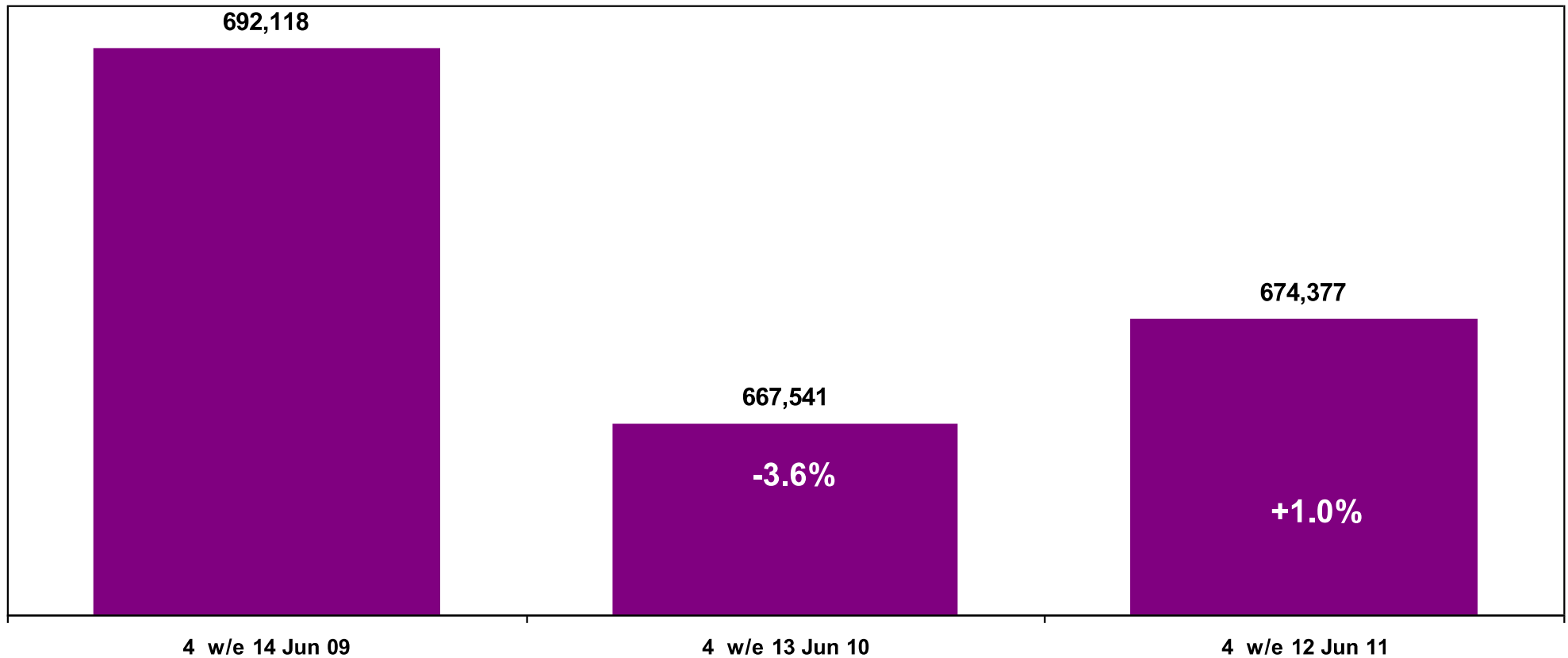
The grocery market has returned to 52 week growth, with short terms sales ahead of last year



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

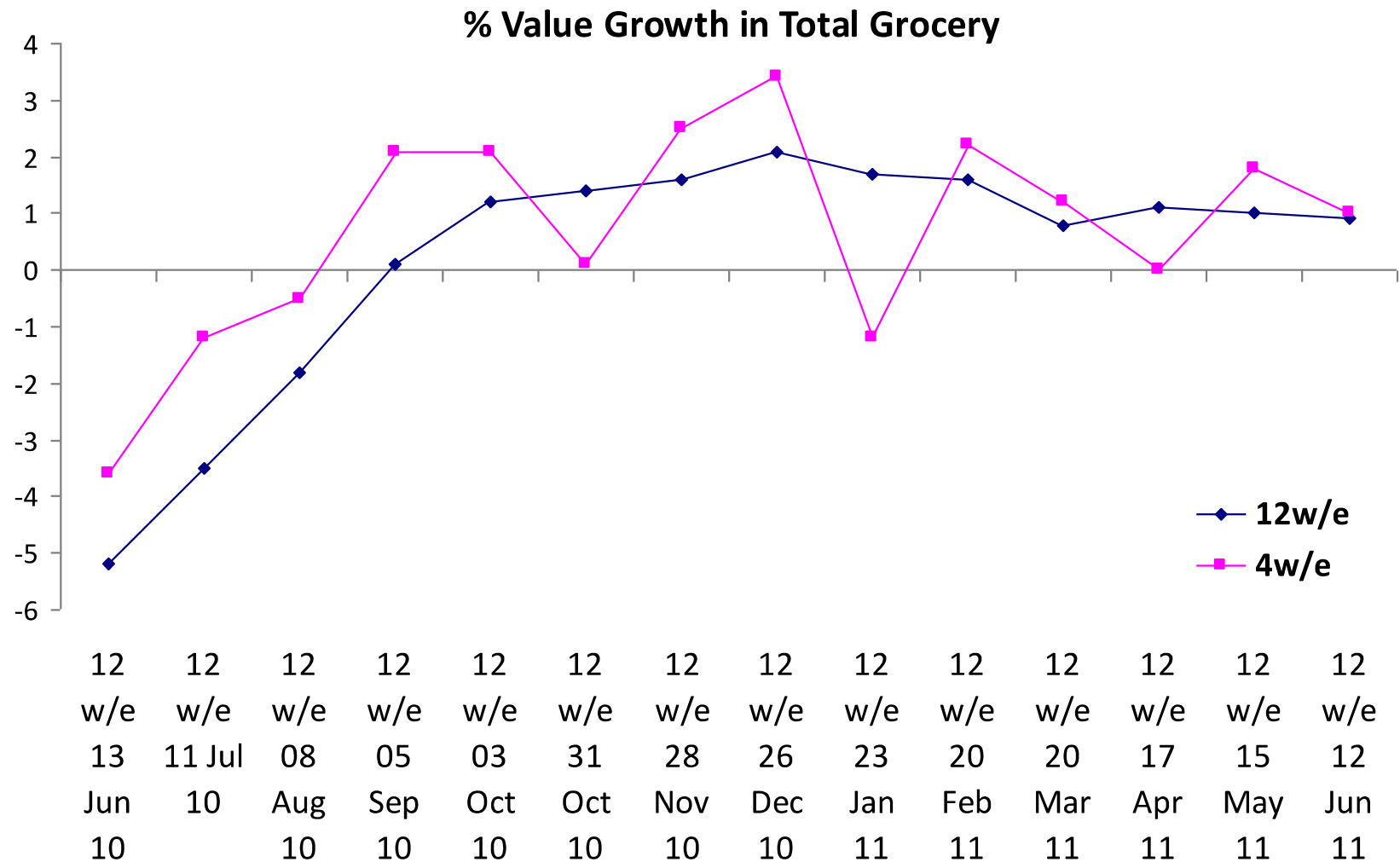
The market shows 4 week value growth at +1% year on year

4 we €000's



# GROCERY MARKET IN 12 & 4 WEEK GROWTH

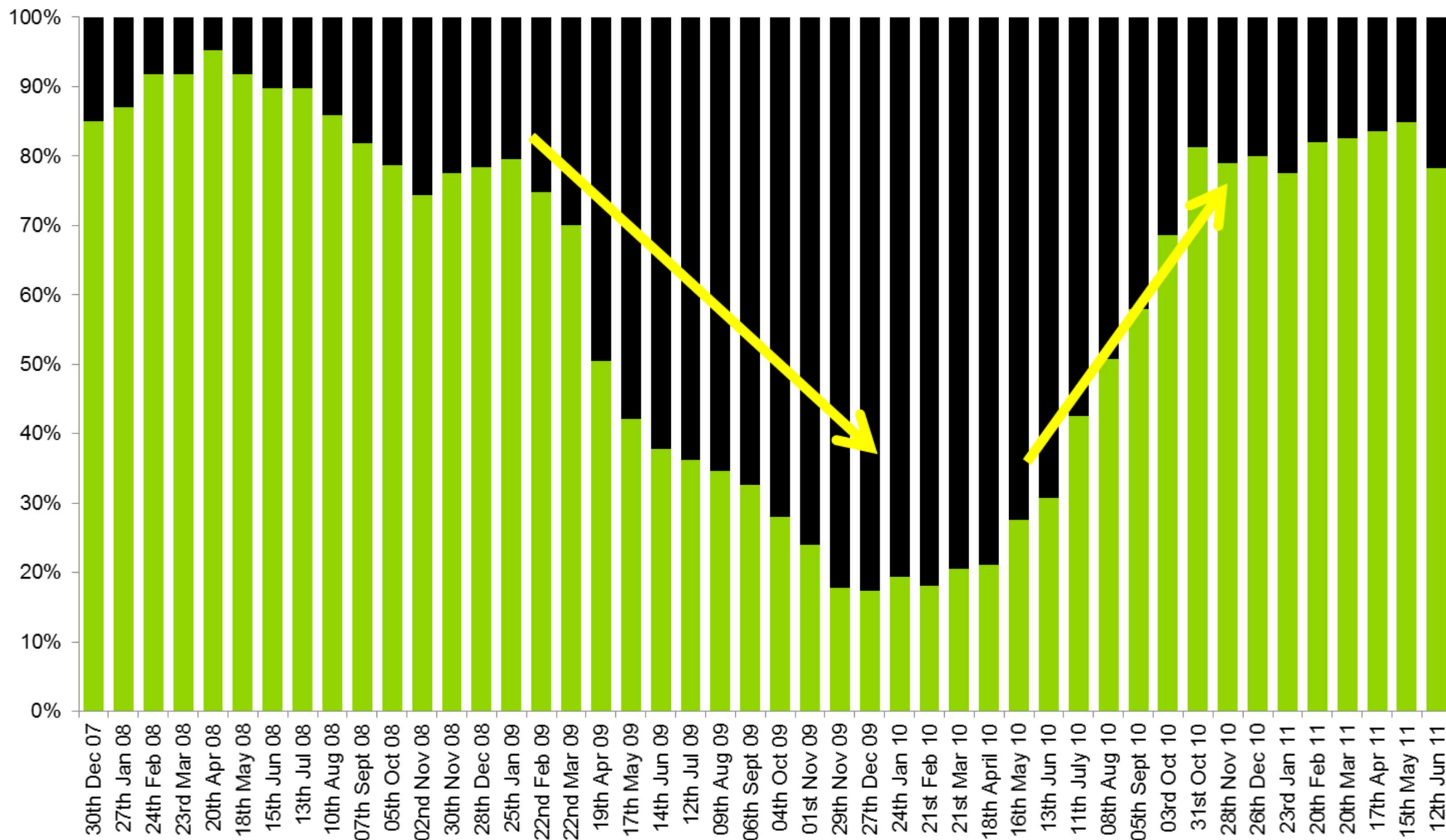
The grocery market continues in growth over shorter periods



# % Markets in Inflation vs Deflation

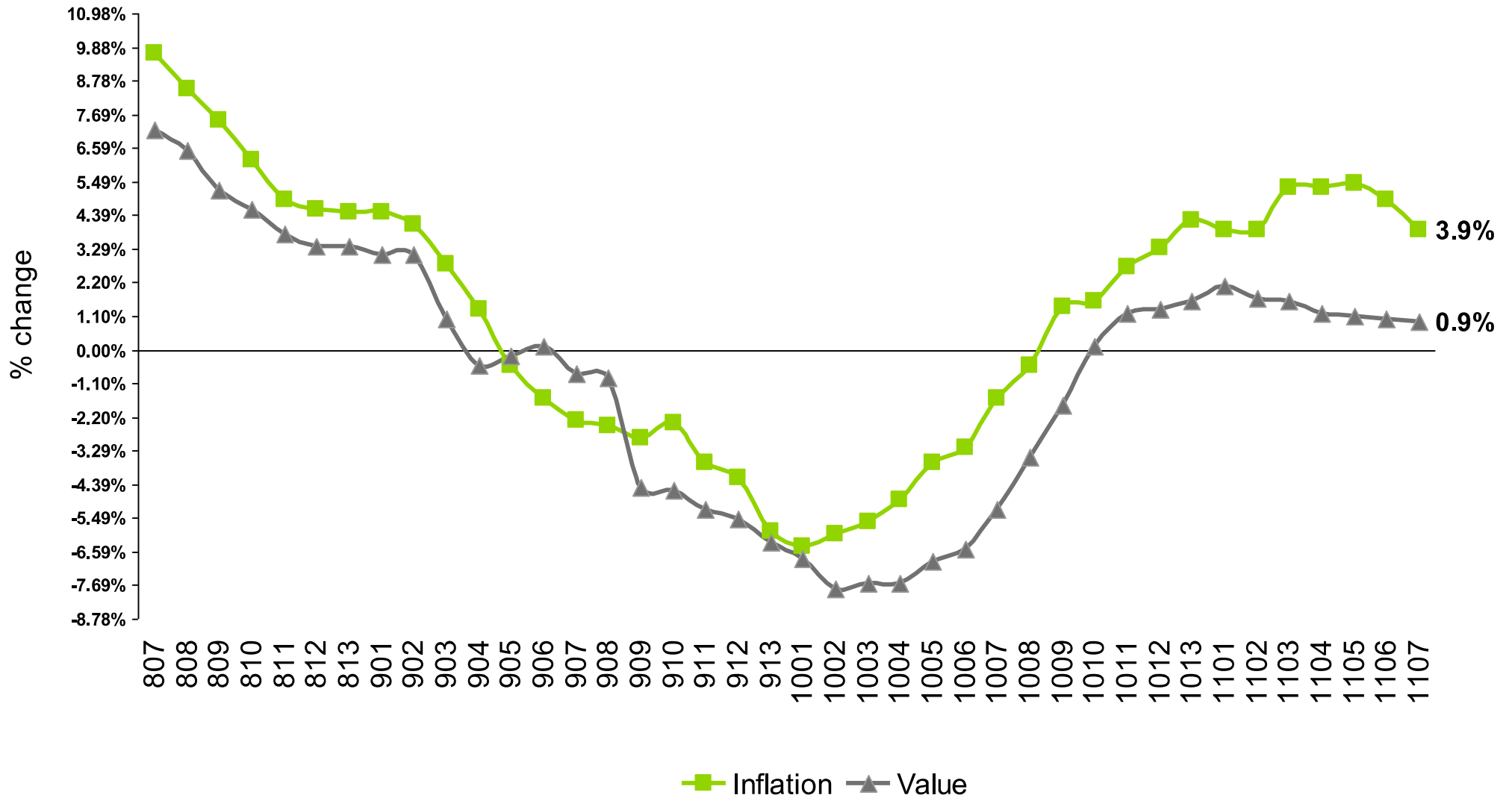
■ % Markets in Deflation

■ % Markets in Inflation



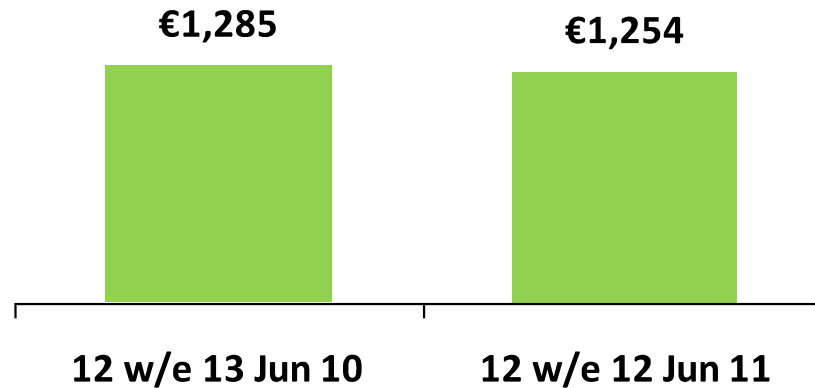
# TOTAL GROCERY MARKET 12w VALUE GROWTH & INFLATION?

ROI grocery market has seen price inflation ahead of value sales growth

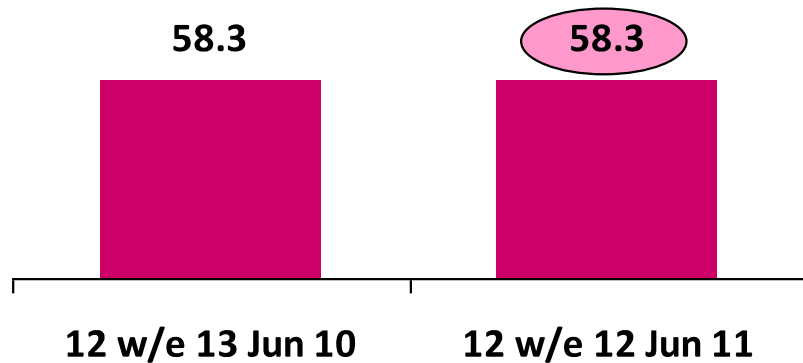


# What has been the Effect on Shopper Behaviour?

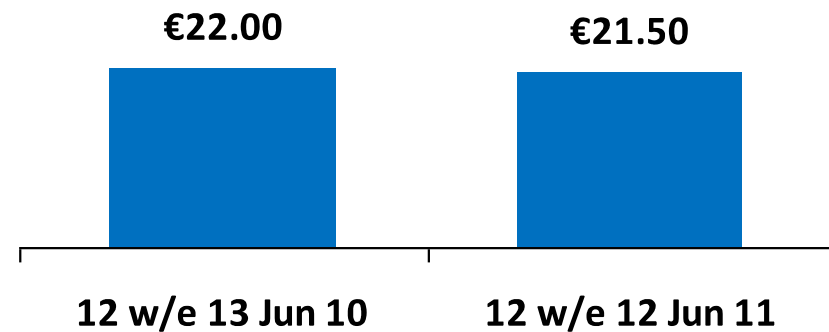
Average Spend per Household



No of Trips per Household



Spend per Trip

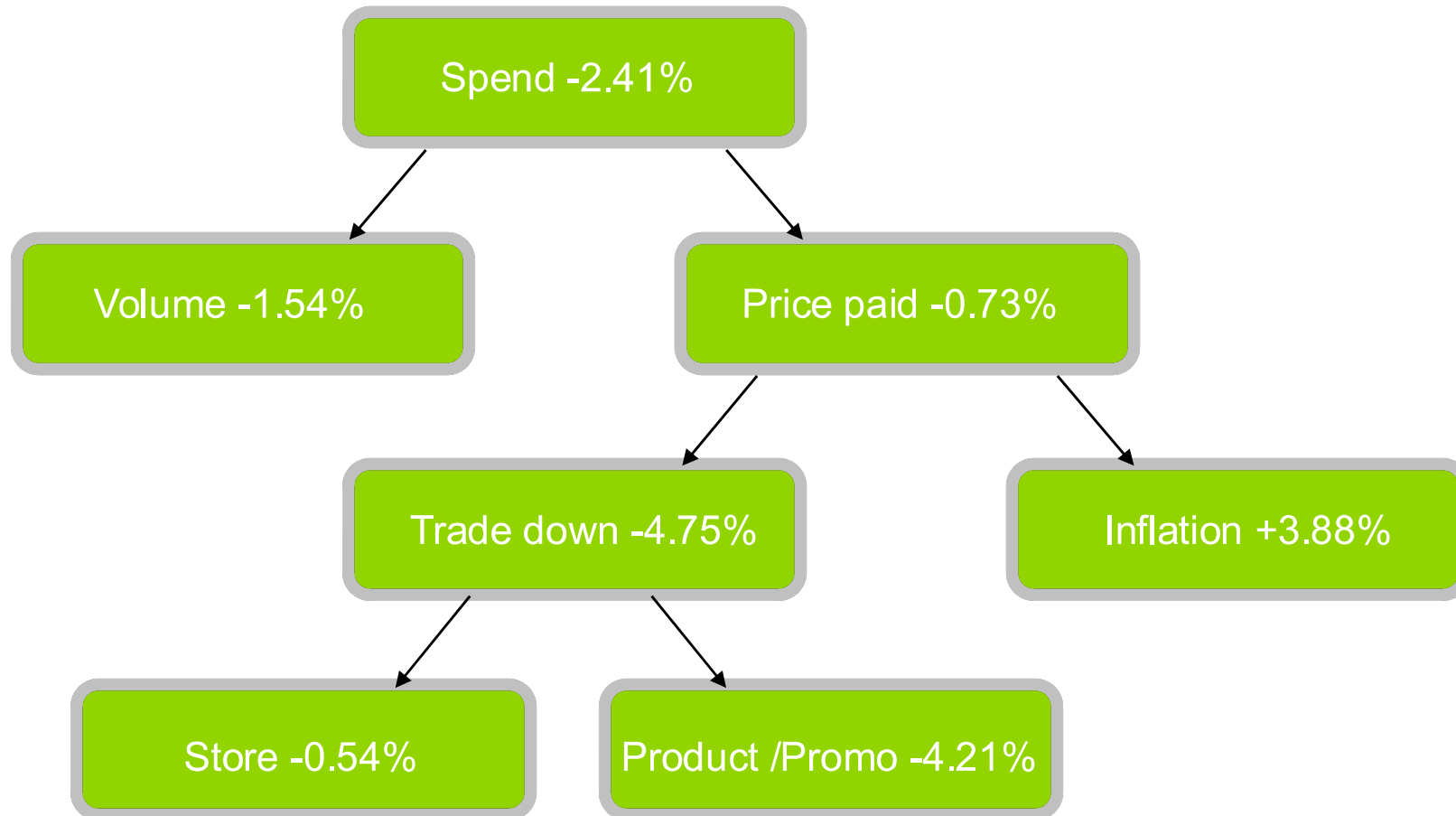


SHOPPERS ARE MAKING THE SAME NUMBER OF TRIPS THIS YEAR, BUT SPENDING 50c LESS ON EACH OCCASION WHEN COMPARED TO THIS PERIOD LAST YEAR

## How are consumers reducing their spend?

1. Reducing quantity purchased- Less per trip
2. Cheaper Brands/Formats
3. More Own label
4. Promotions
5. Cheaper stores

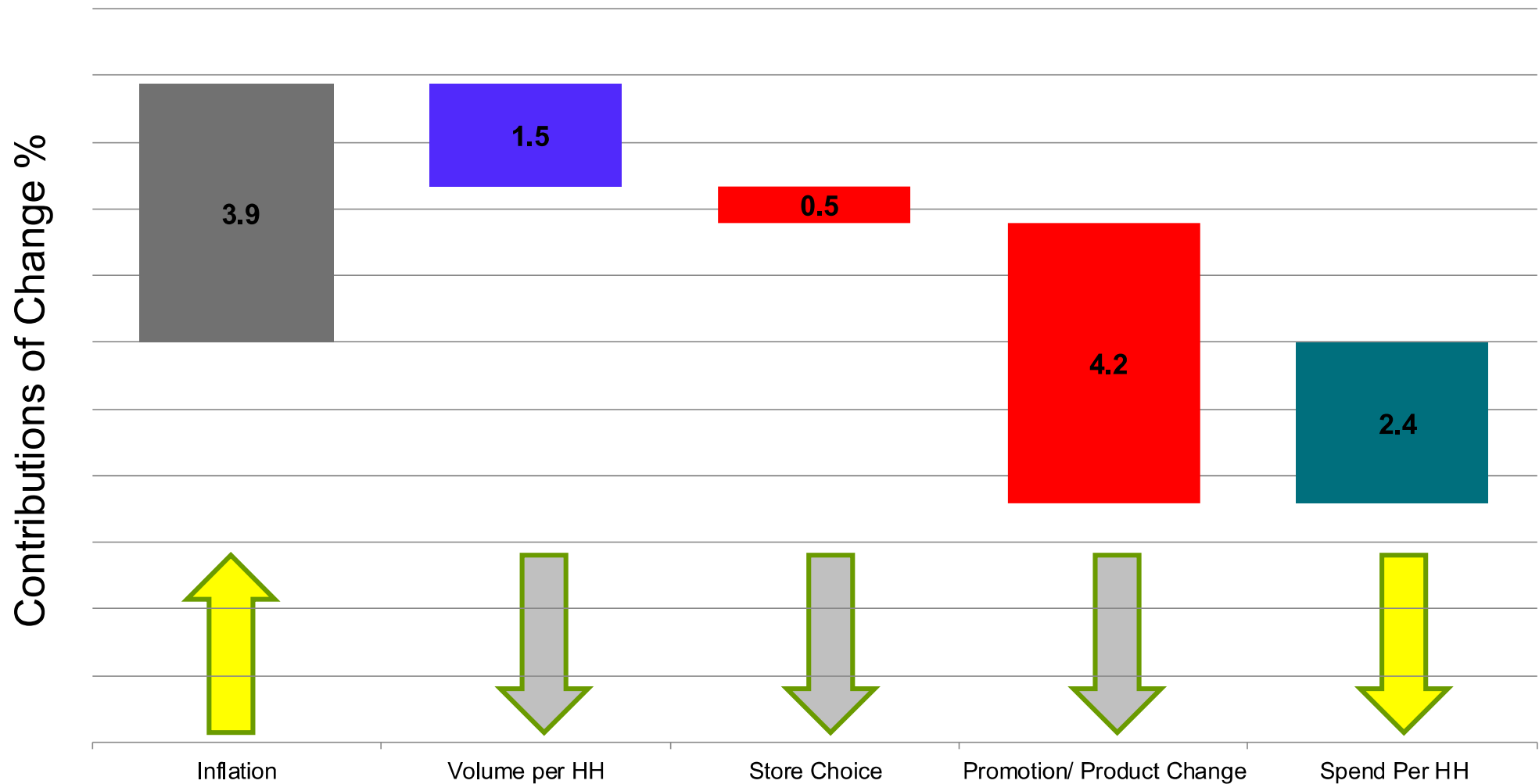
# How are consumers reducing spend?



\*Slight definitional difference in Price paid

# 12w DRIVERS OF TOTAL MARKET PERFORMANCE

Price inflation now at +4% with shoppers reacting by buying more on offer, or trading down to a cheaper option

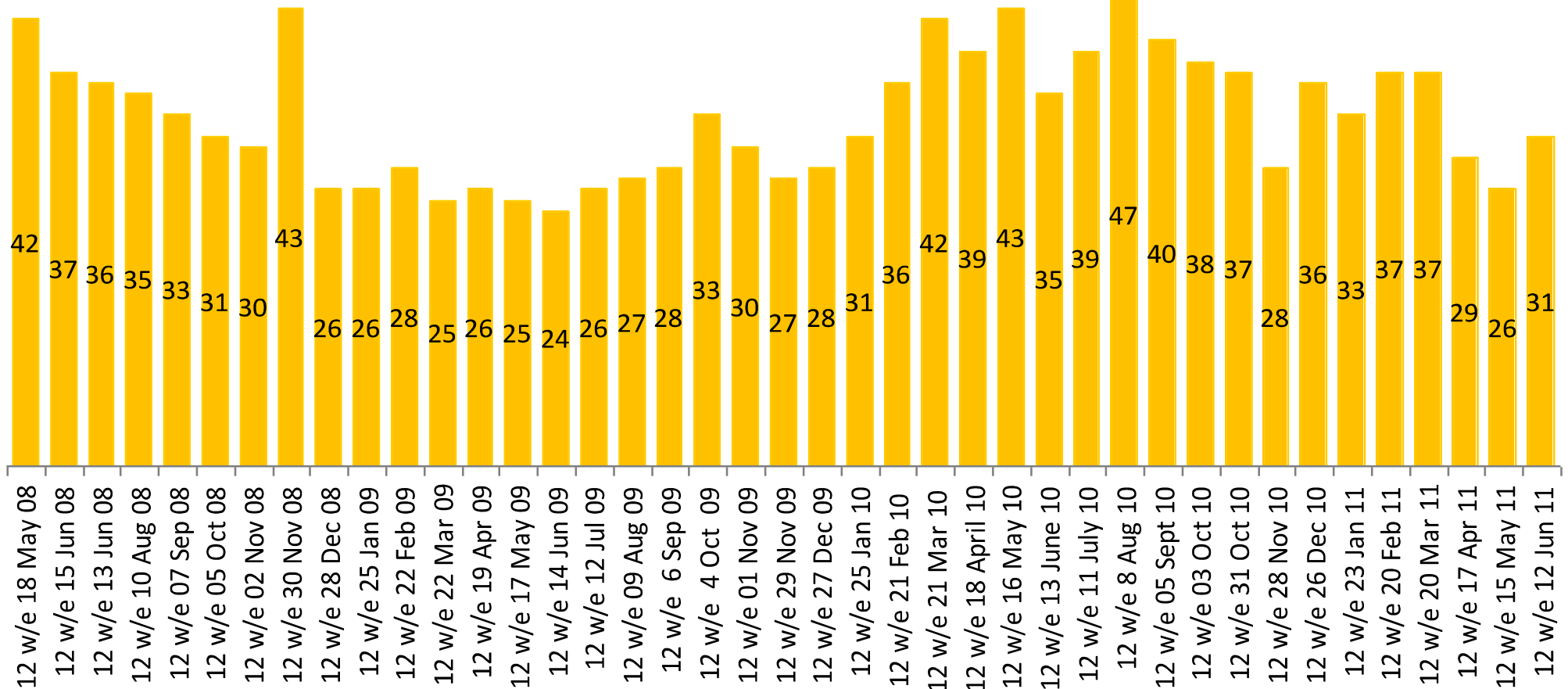


# As shoppers buy less, basket missions gain from trolleys



# Shoppers are trading down in 69% of markets to a cheaper format

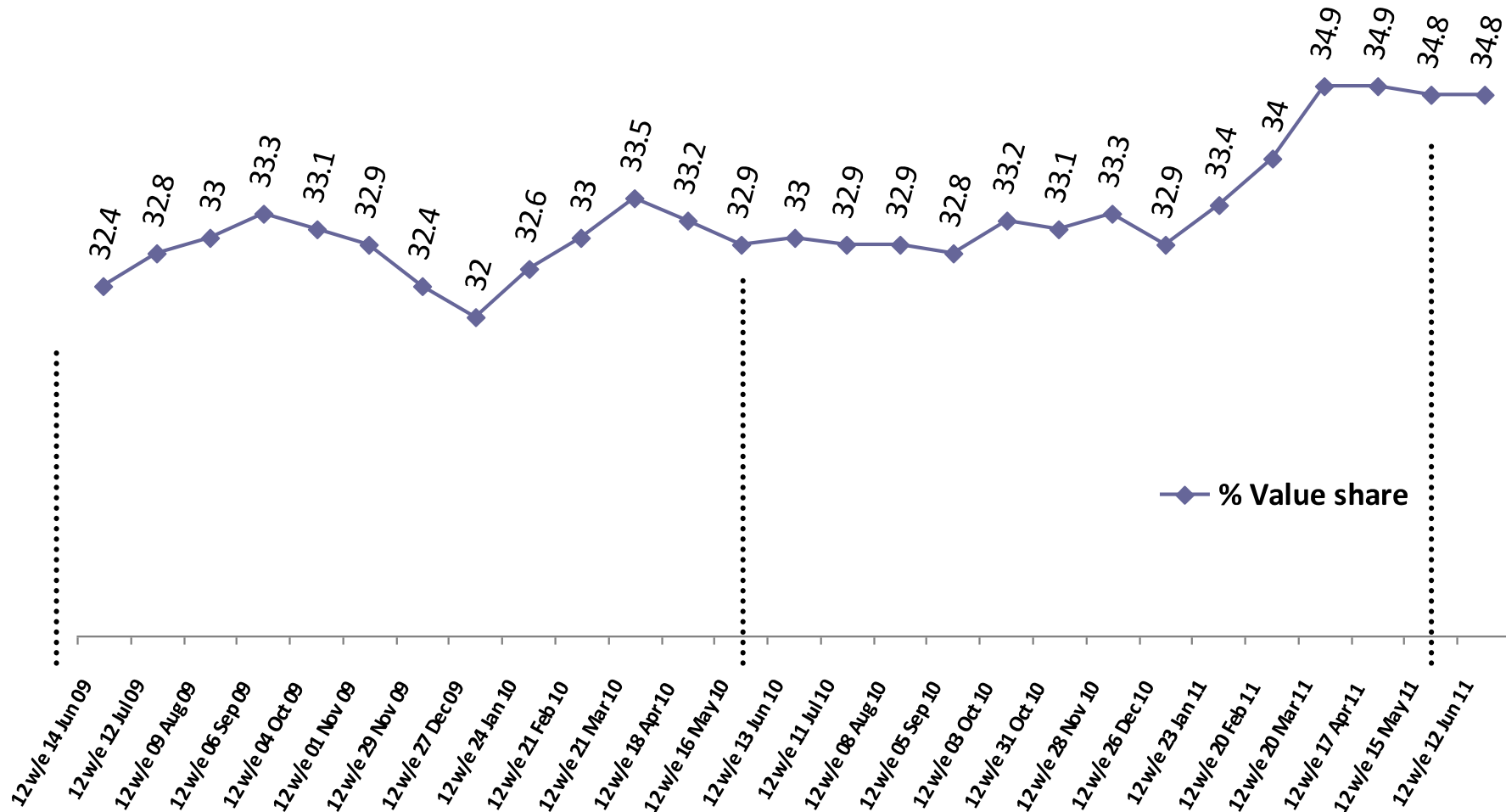
% of markets where shoppers are trading up



# 12w PRIVATE LABEL VALUE SHARE OF TOTAL GROCERY MARKET

Private label value share is at 35% of market sales, and has not dropped back after the new year pickup

### Private Label Value Share of Grocery

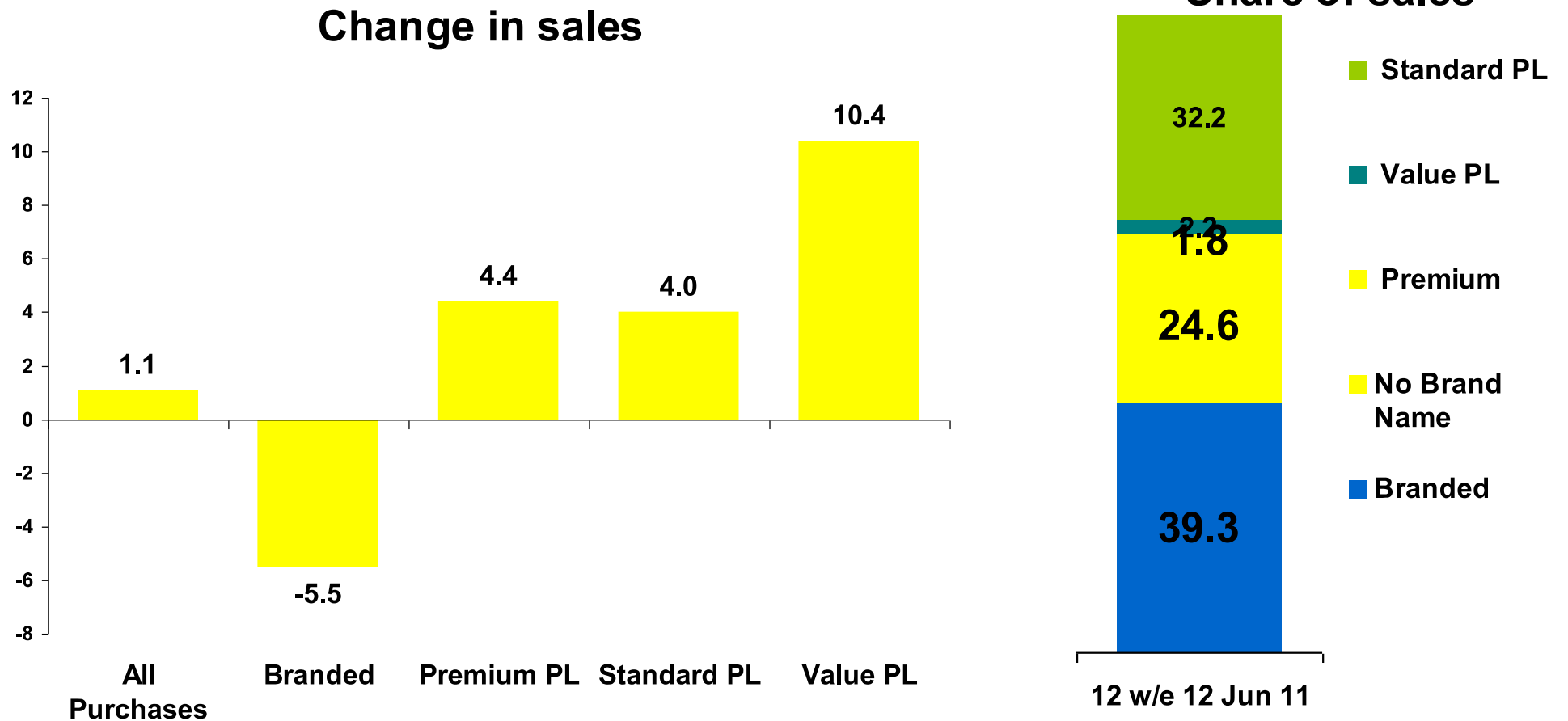


# Grocery Packs Growth by Private Label Tier

Budget private label products see an increase in Pack sales

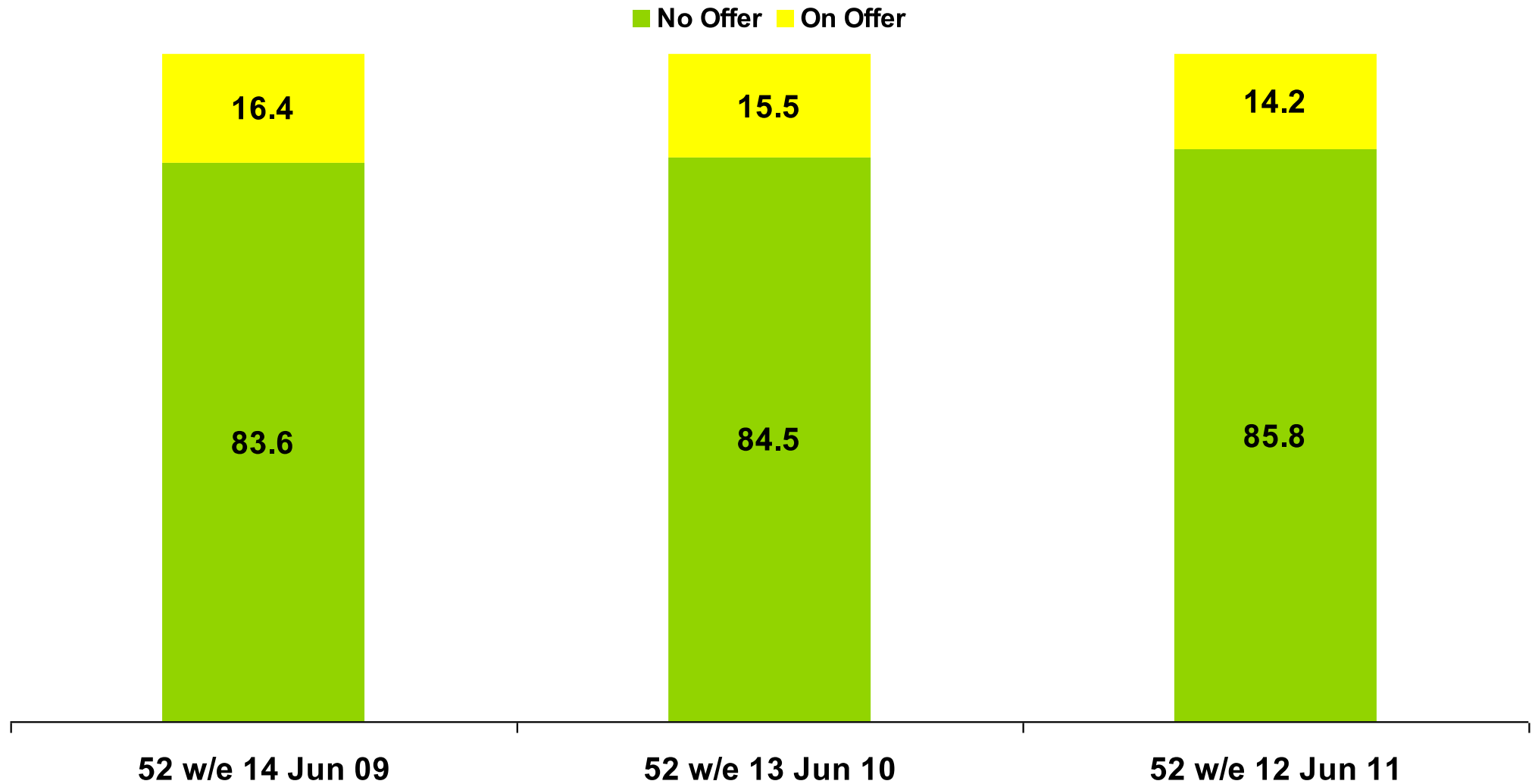
Growth in Grocery sales (Packs)

## Share of sales



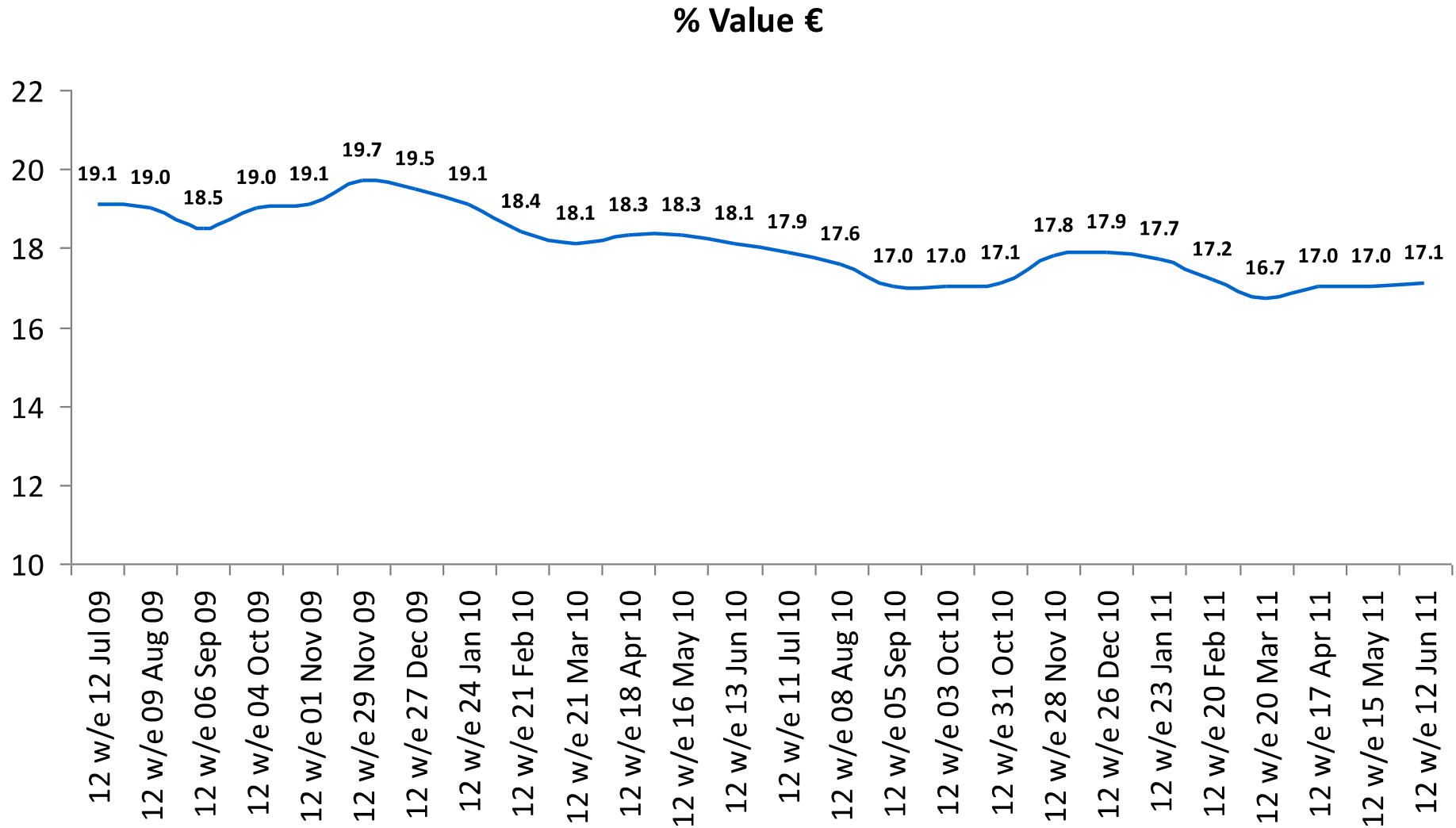
# TOTAL GROCERY – 52w % PERCEIVED PACKS SOLD ON DEAL

Although promotional activity has slowed slightly, consumers still choose to buy 14% of their grocery volume on deal

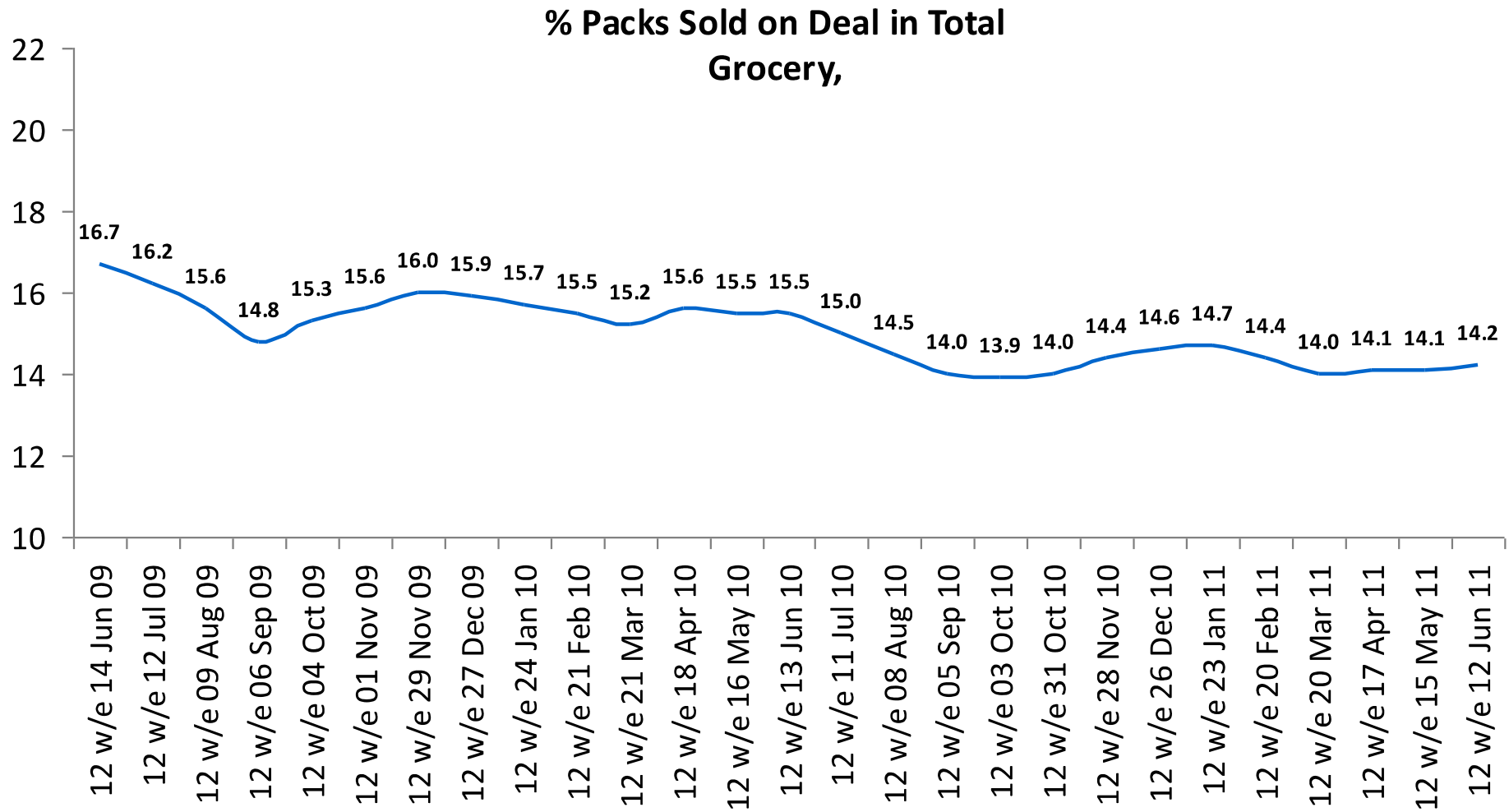


# PROMOTIONAL ACTIVITY IN THE TOTAL GROCERY SECTOR

% Value sold on deal remaining steady this period



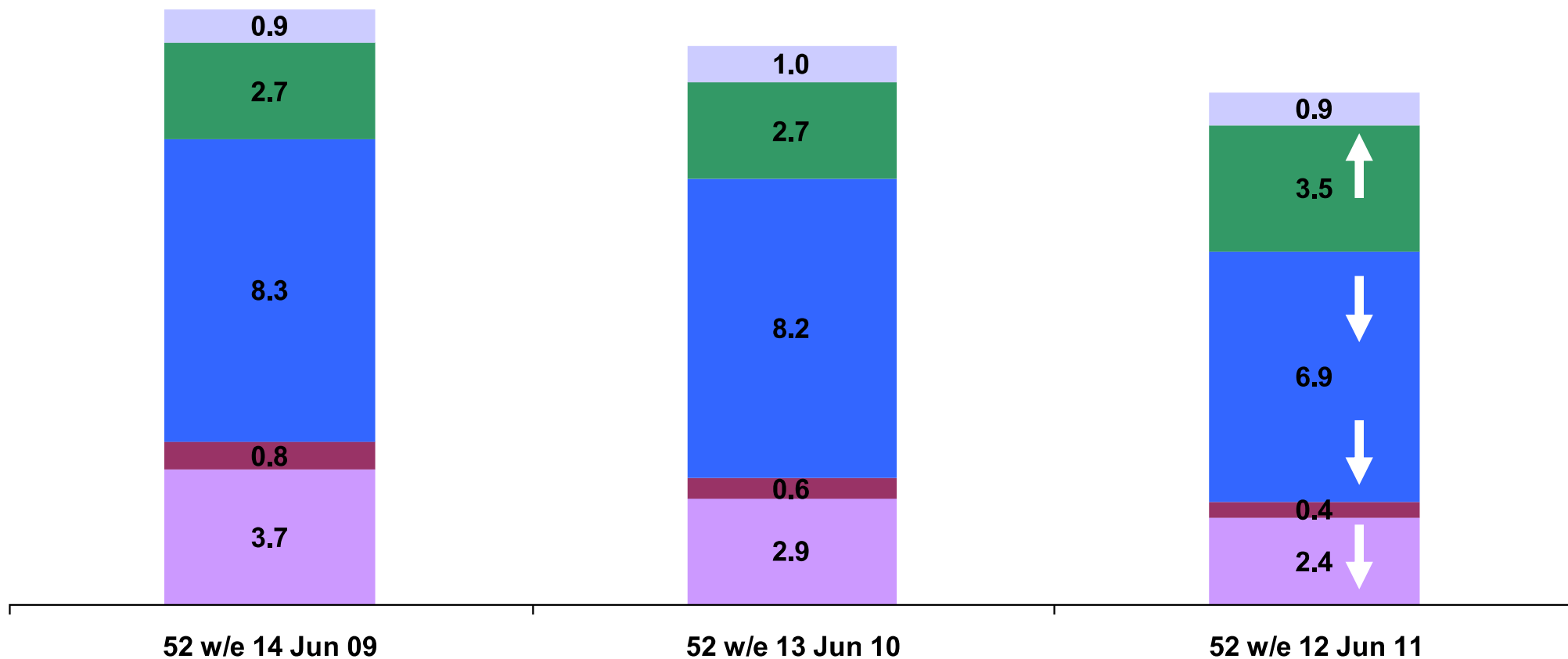
# PROMOTIONAL ACTIVITY IN THE TOTAL GROCERY SECTOR



# TOTAL GROCERY – 52w % PERVEIVED PACKS SOLD ON DEAL – PROMO TYPE

Pickup in MultiBuy packs this year, but less Money off and Extra Free promotions

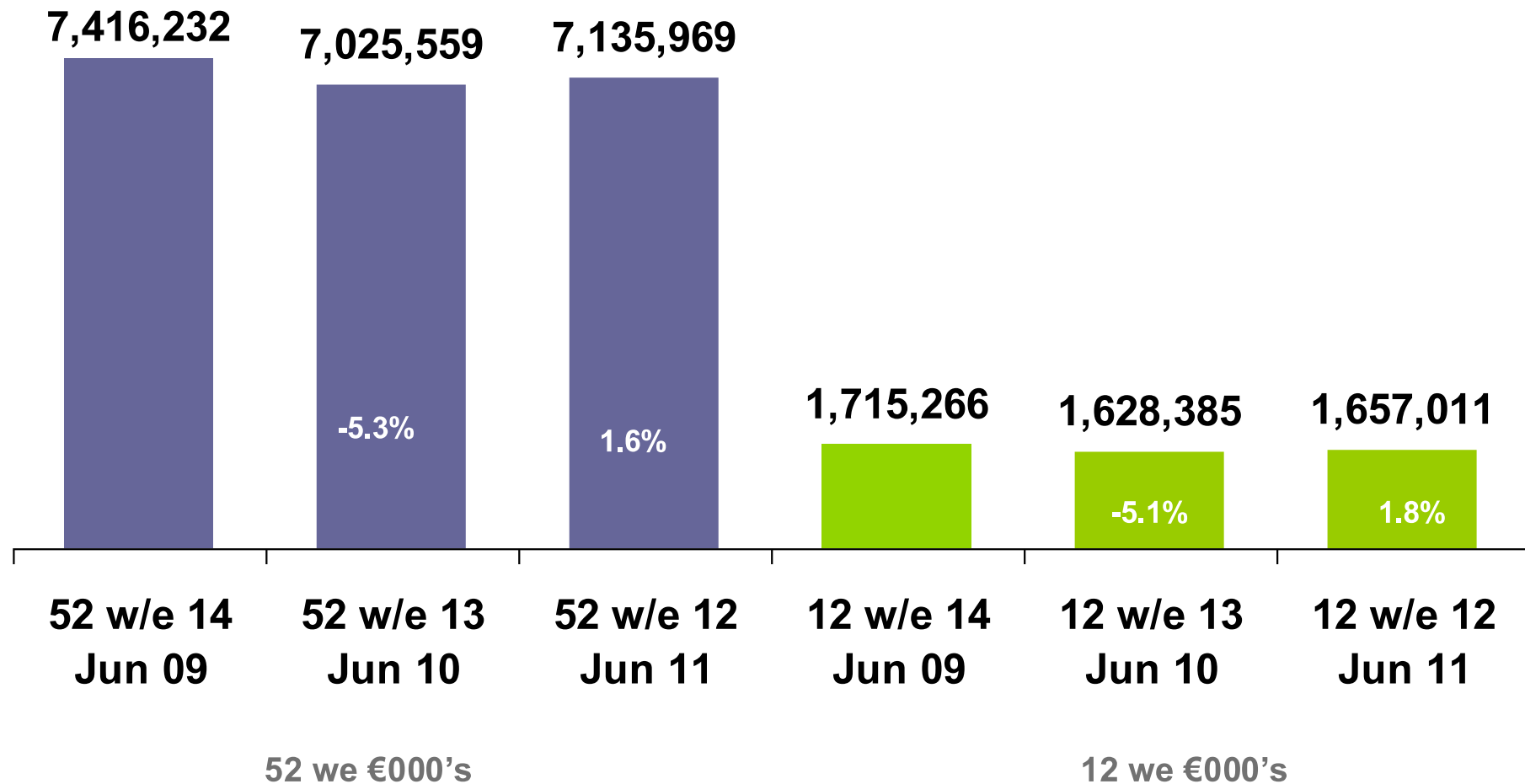
■ Extra Free ■ Banded/Special Pack ■ Money Off ■ Multi-Buy ■ Other Offer



# Grocery Sector Analysis - Summary

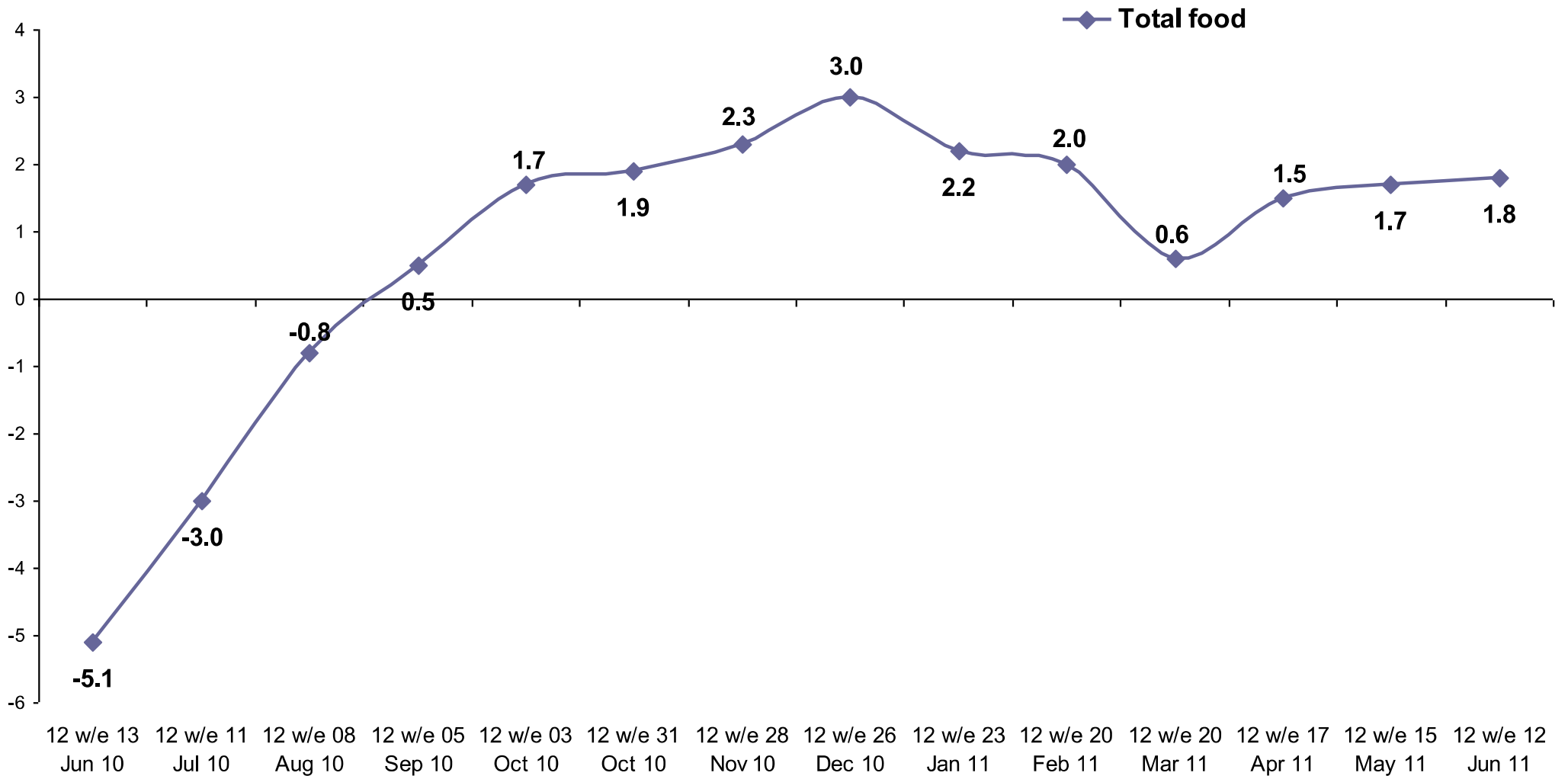
# TOTAL FOOD YEARLY AND QUARTERLY SALES

The food market comes back into positive growth vs the same time last year



# HOW IS THE FOOD MARKET PERFORMING ON TRENDED BASIS?

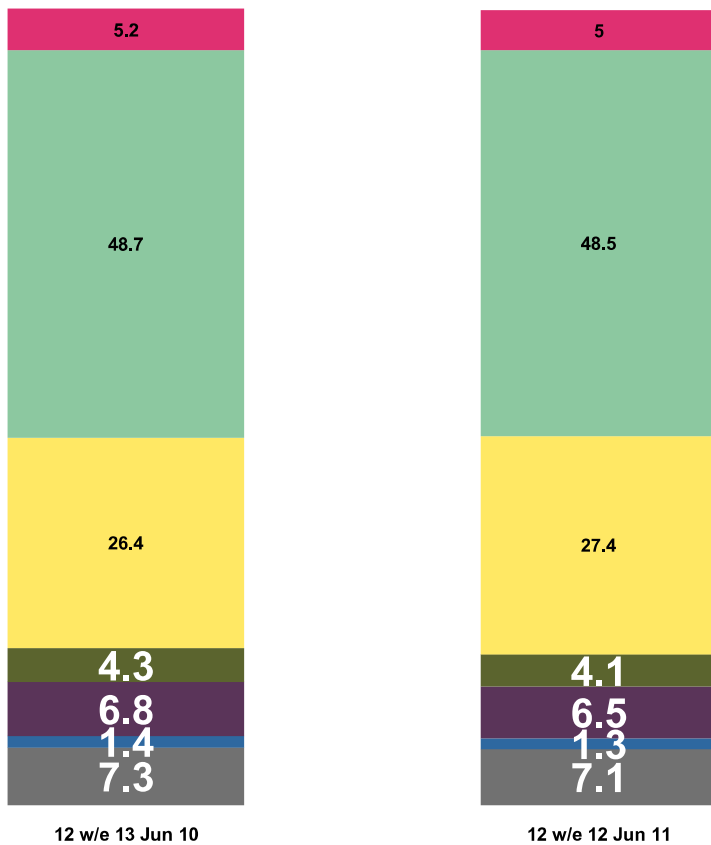
% VALUE GROWTH VS LAST YEAR, 12 WEEKLY TRENDED



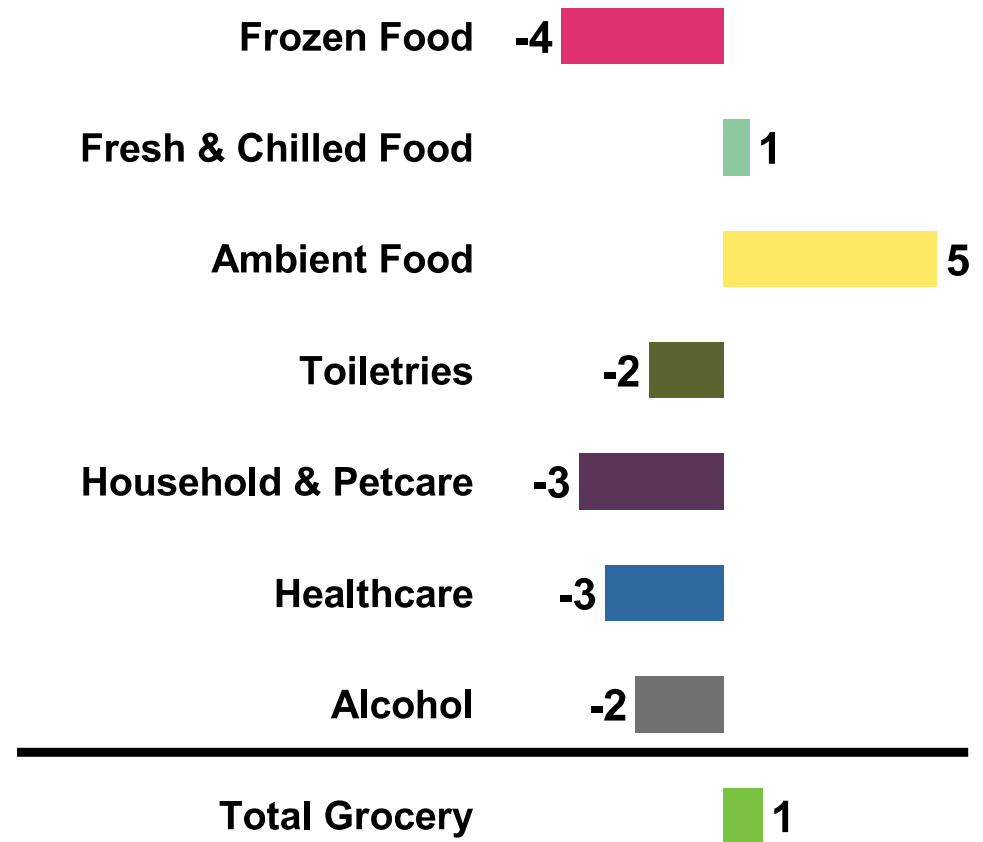
# WHICH SECTOR IS DRIVING MARKET RETURN TO GROWTH?

Ambient and Fresh foods are driving market performance this period

Value share



Value change

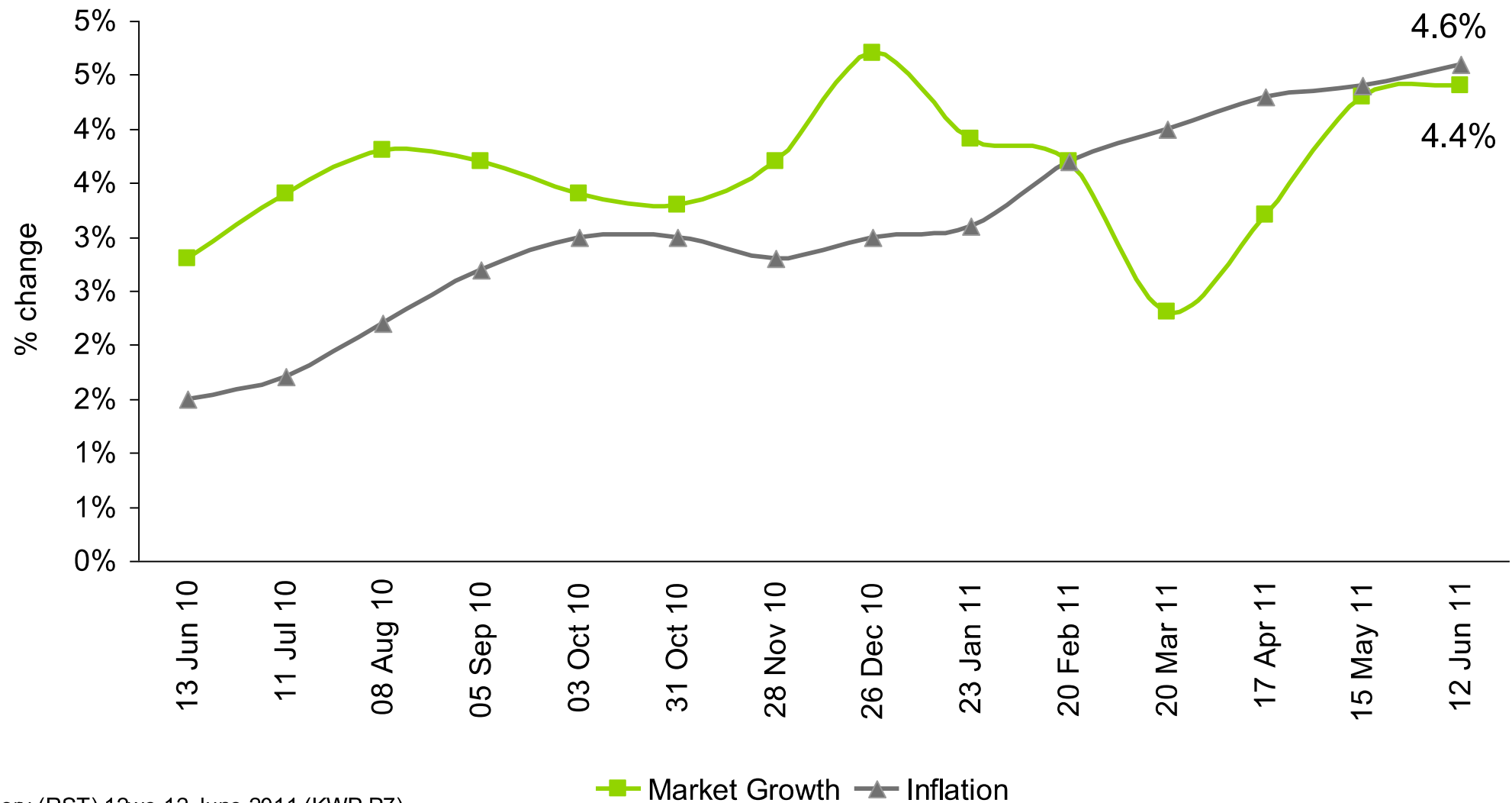




# UK Overview & Consumer coping strategies.

# GROWTH AND INFLATION

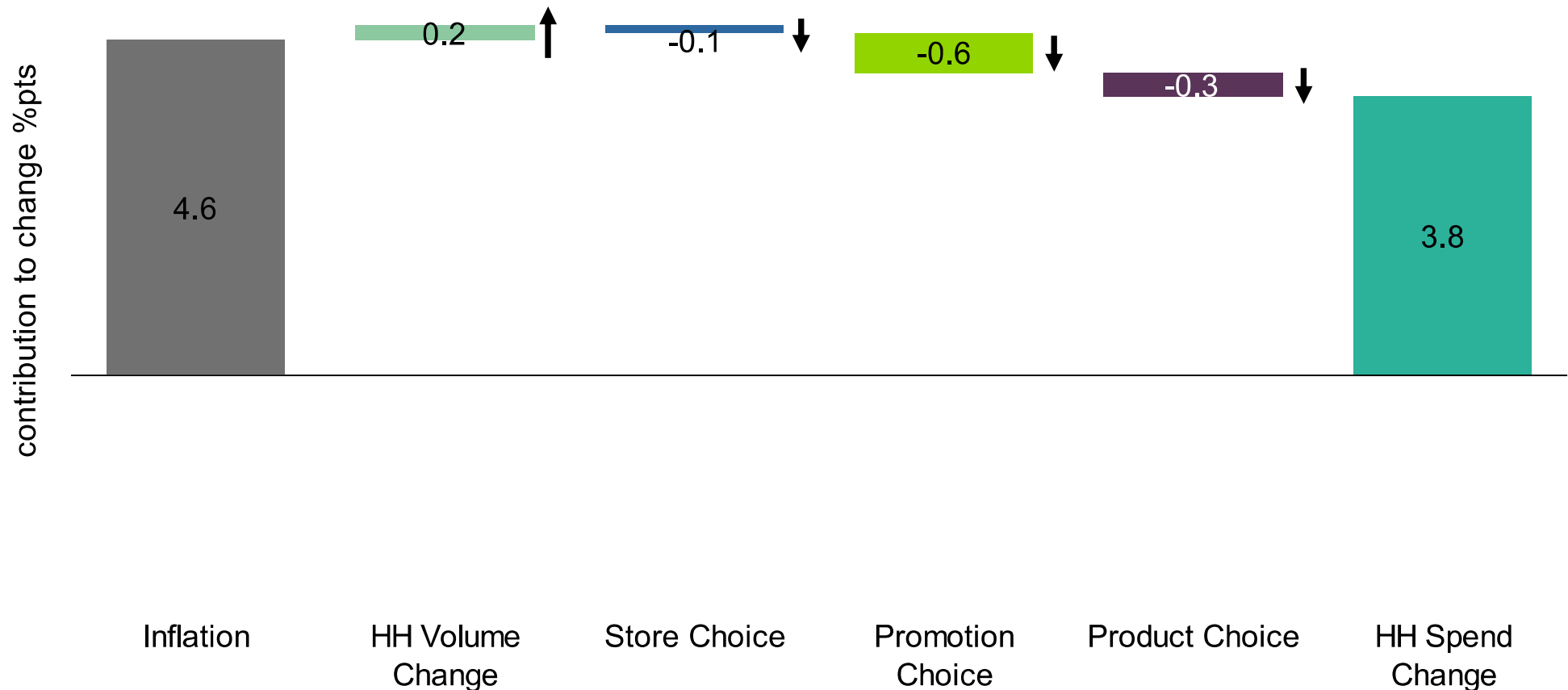
Growth plateaus creating a divergence from inflation



Grocery (RST) 12we 12 June 2011 (KWP P7)

# Trading-up and Trading-down Strategies

Shoppers manage their spend mainly by promotions.



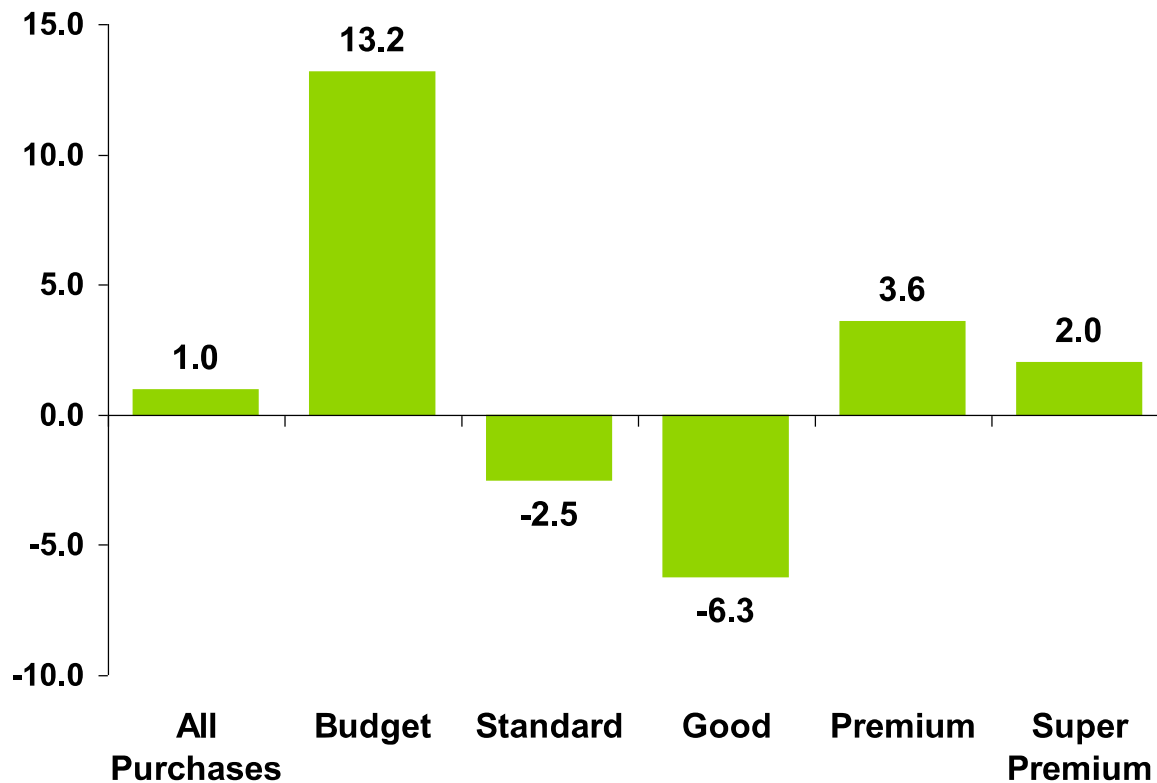
Grocery (RST) 12we 12 June 2011 (KWP P7)

# UK Grocery Packs Growth by Price Brand

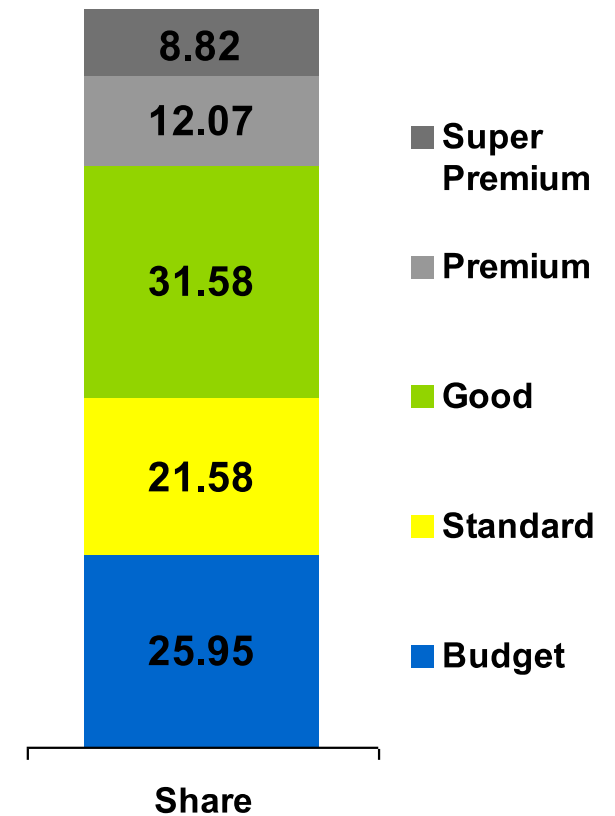
UK also continue to see rise in budget pack sales as they trade down from standard and Good options

Growth in Grocery sales (Packs)

### Change in sales



### Share of sales



# MARKET VIEW - UK

## KANTAR WORLDPANEL



### – MARKET TRENDS

- Market growth levels now at 4.4%, just behind inflation at 4.6%
- Inflation rate at 4.6% for this period, is due to an increase in the number of markets displaying inflation within 5-10% range (rather than a few markets in the double digit range). In particular, alcohol and cereal dependent markets have seen significant rises. These latest rises mean we now anticipate inflation rising towards 5%.
- The growth in budget sales indicate shoppers choosing to buy cheaper products. The inexorable growth in promotions is showing signs of slowing, though it is still the most significant factor driving change in shoppers' choice.