



ROI GROCERY MARKET REVIEW

Data to 10th June 2012

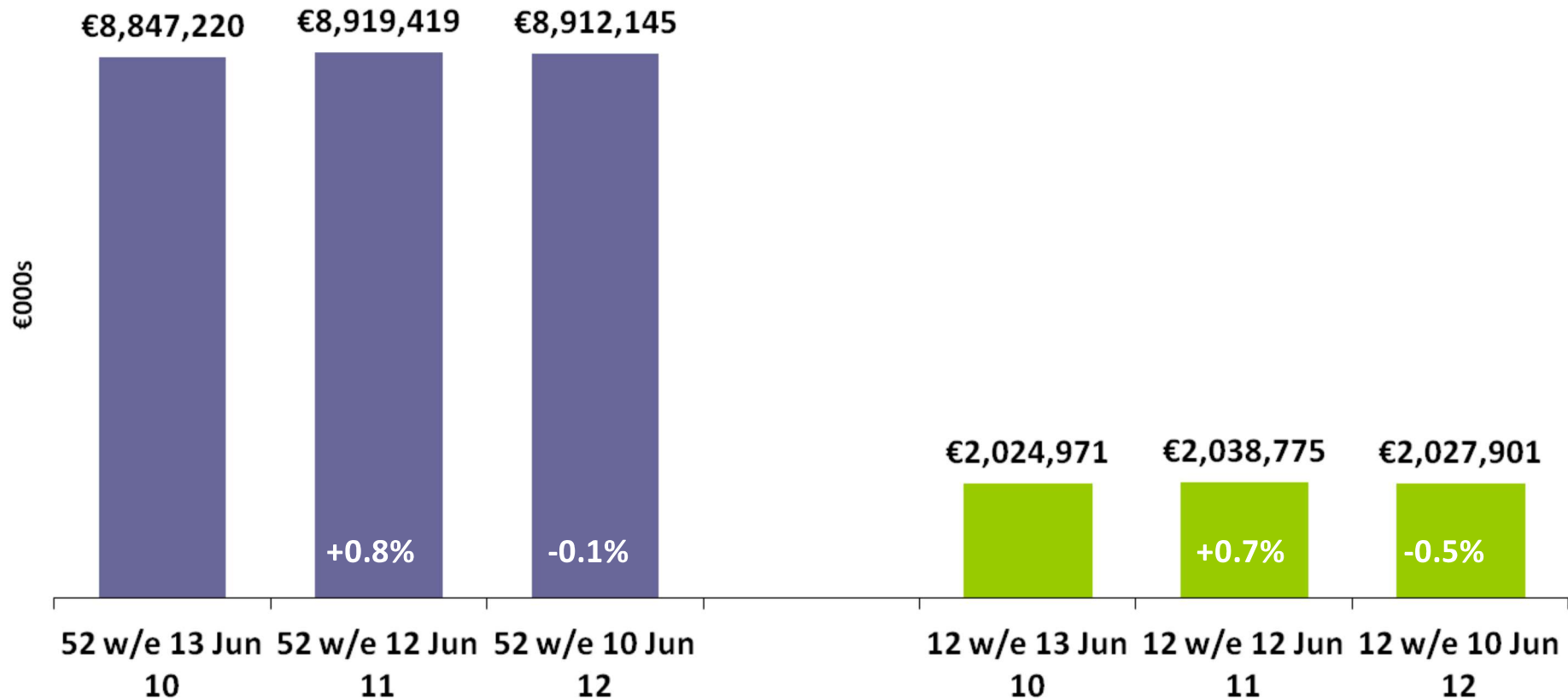
Market Overview

- The annual market sales are behind last year, with a decline in market value of 0.1% year-on-year and 0.5% over the shorter term (12 weeks period).
- The grocery market has shown volume growth of 0.6% year on year and by 0.9 over the 12 week period.
- Shoppers are buying more volume but despite price inflation are managing their spend through trading down to own brand, shopping around, shopping to a budget and planning ahead.
- Consumers are making more shopping trips, but the average spend per trip has reduced by 3.7%.
- Private label continues to be important as a method of reducing spend with a market share at 35%.



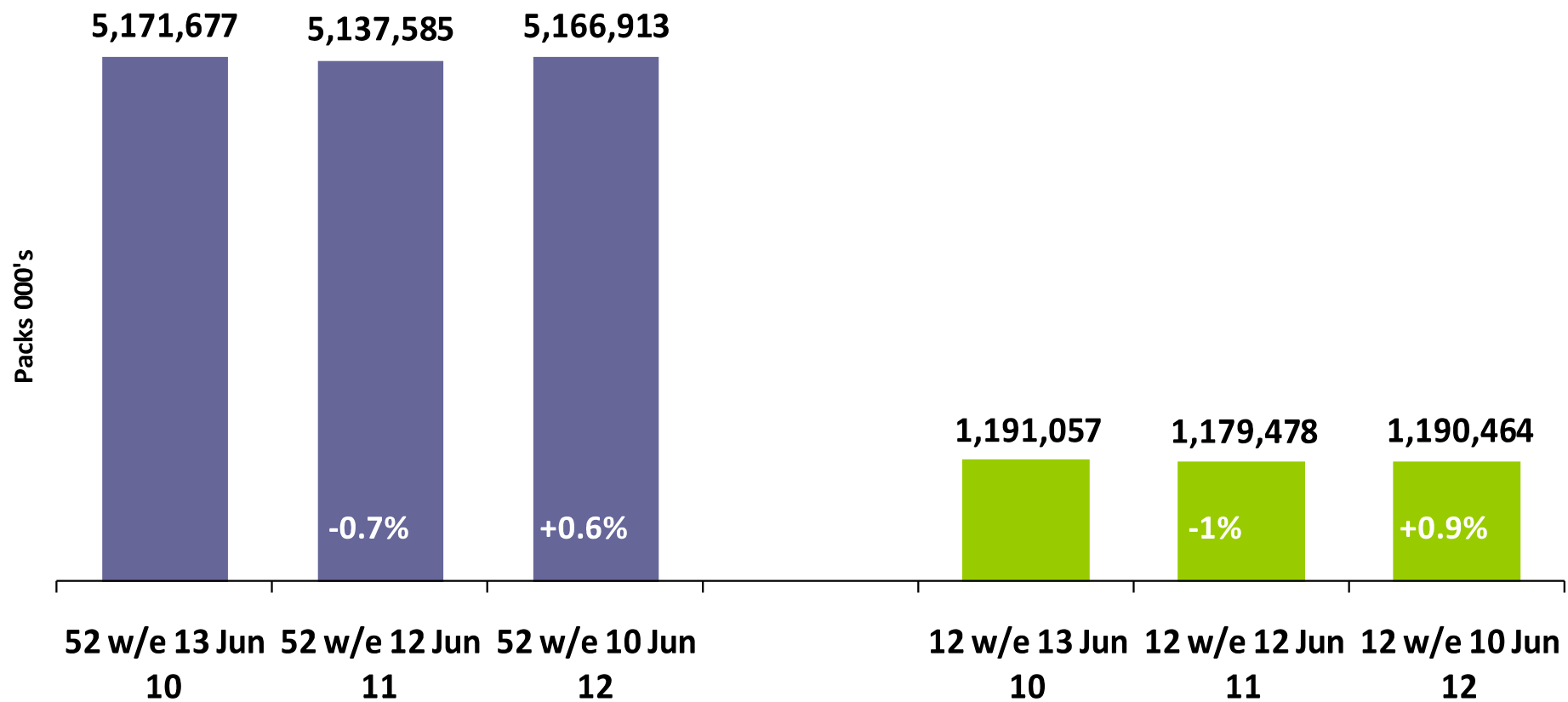
TOTAL IRISH GROCERY MARKET VALUE AND GROWTH 52 & 12 W/E

The Irish grocery market is in decline over 52w period by -0.1% and over the 12w period by -0.5%.



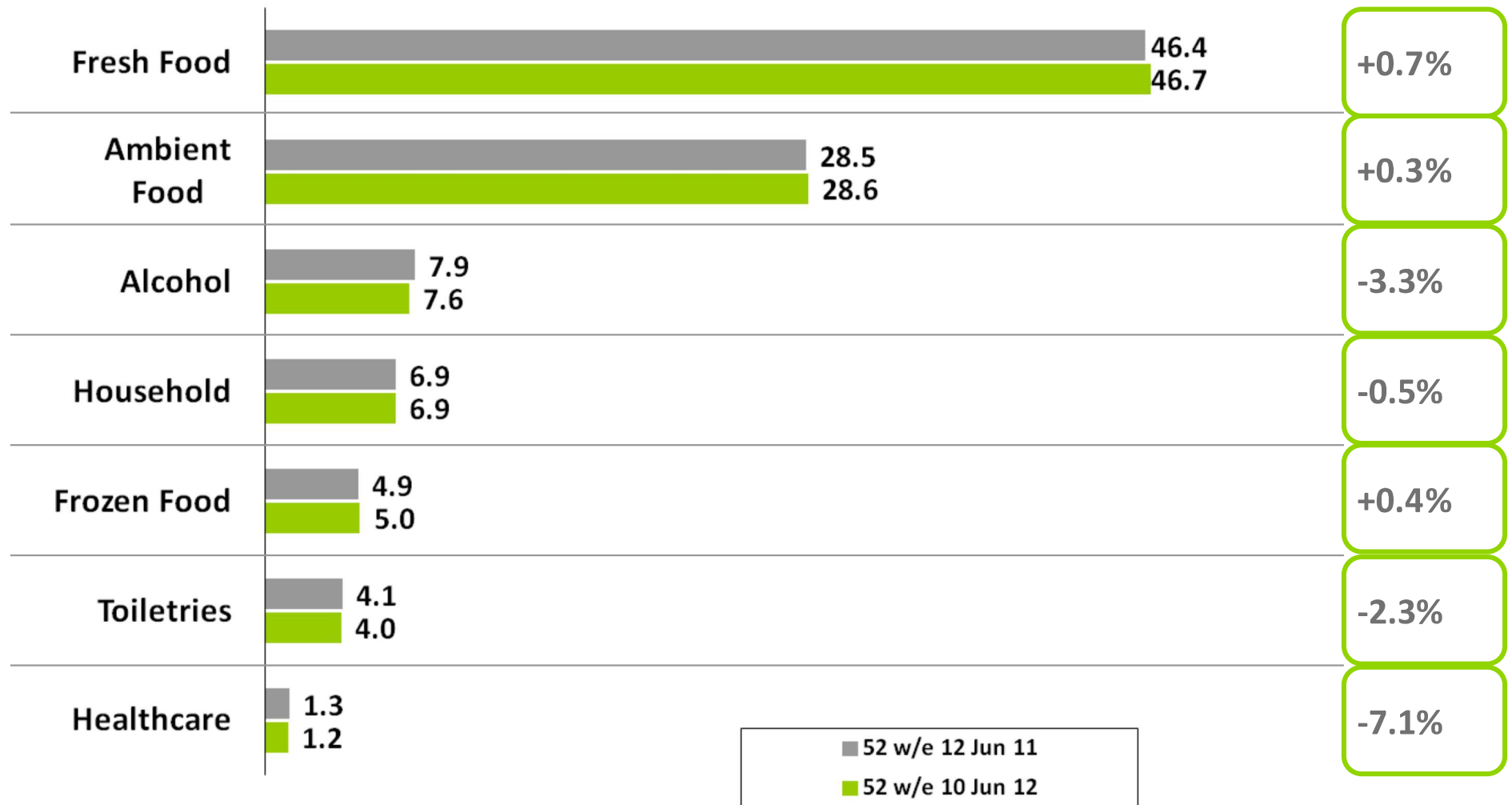
TOTAL IRISH GROCERY VOLUME SALES AND GROWTH 52 & 12 W/E

The Irish grocery market is in volume growth over 52w by +0.6% and over 12w by +0.9%.



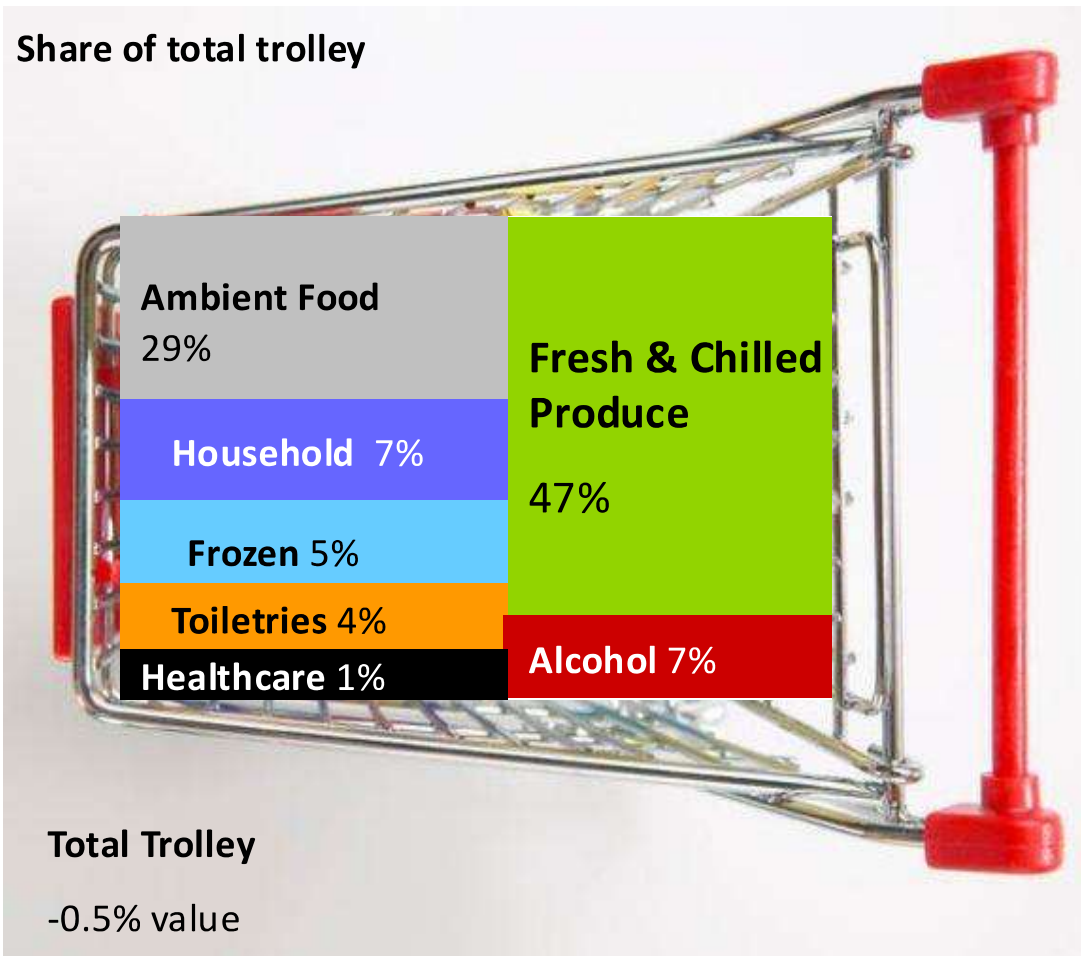
TOTAL GROCERY SECTOR VALUE SHARE & GROWTH 52W/E

Ambient Food, Fresh Food and Frozen Food sectors continue to increase sales and win share over the full year



TOTAL GROCERY SECTOR VALUE SHARE & GROWTH 12W/E

Toiletries, Healthcare, and Alcohol sectors have been the driving forces behind value decline

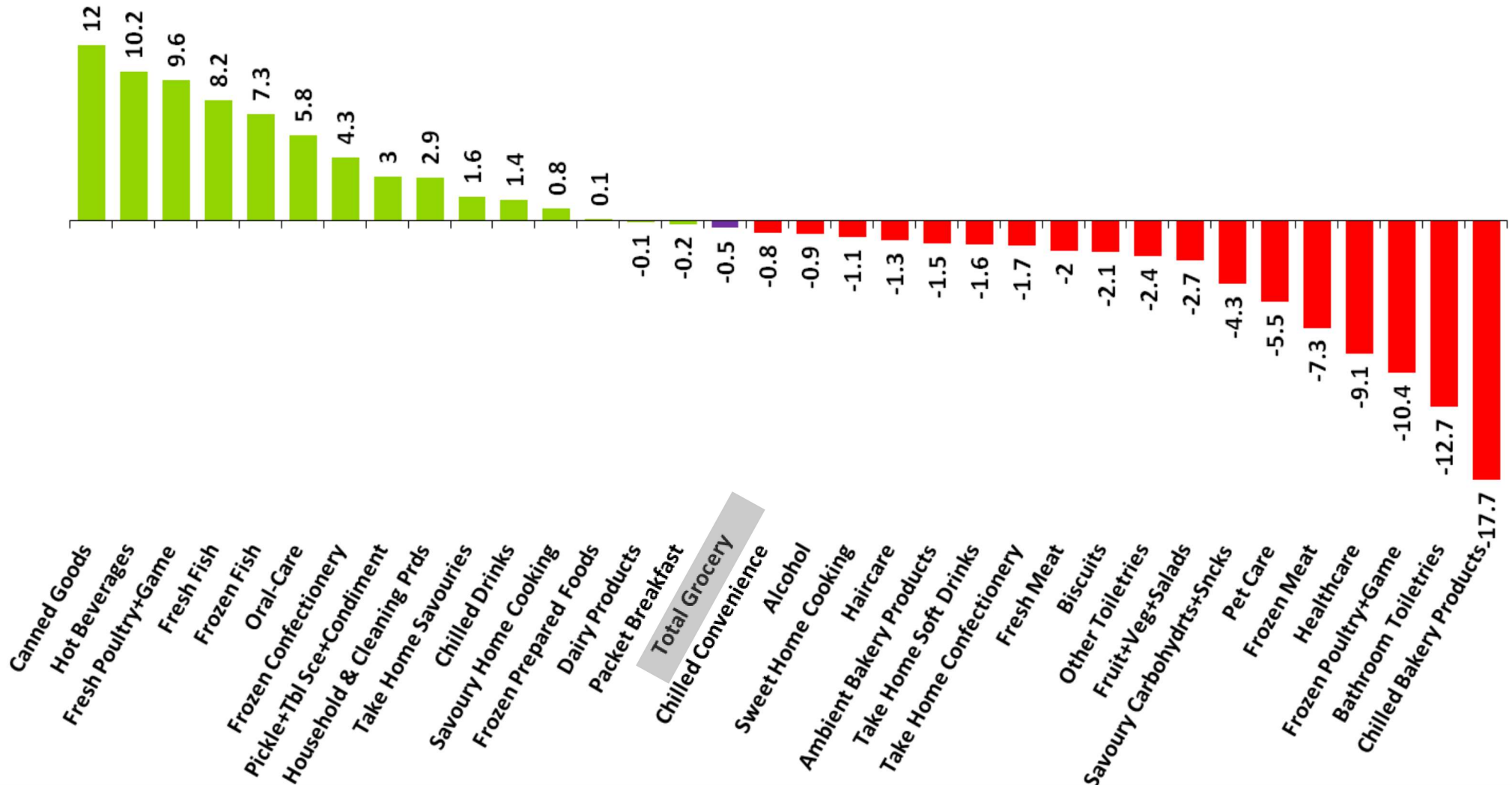


Total Grocery	-0.5
Alcohol*	-0.9
Healthcare	-9.1
Household	0.8
Toiletries	-5.6
Ambient Food	0.4
Fresh & Chilled	-0.8
Frozen Food	1.8

ANALYSIS BY CATEGORY - GROWTH/DECLINE?

Canned Goods, Hot Beverages, Fresh Fish and Poultry are some of the stronger performing categories this period. Shoppers continue to spend less on Bathroom Toiletries and Chilled Bakery Products year on year

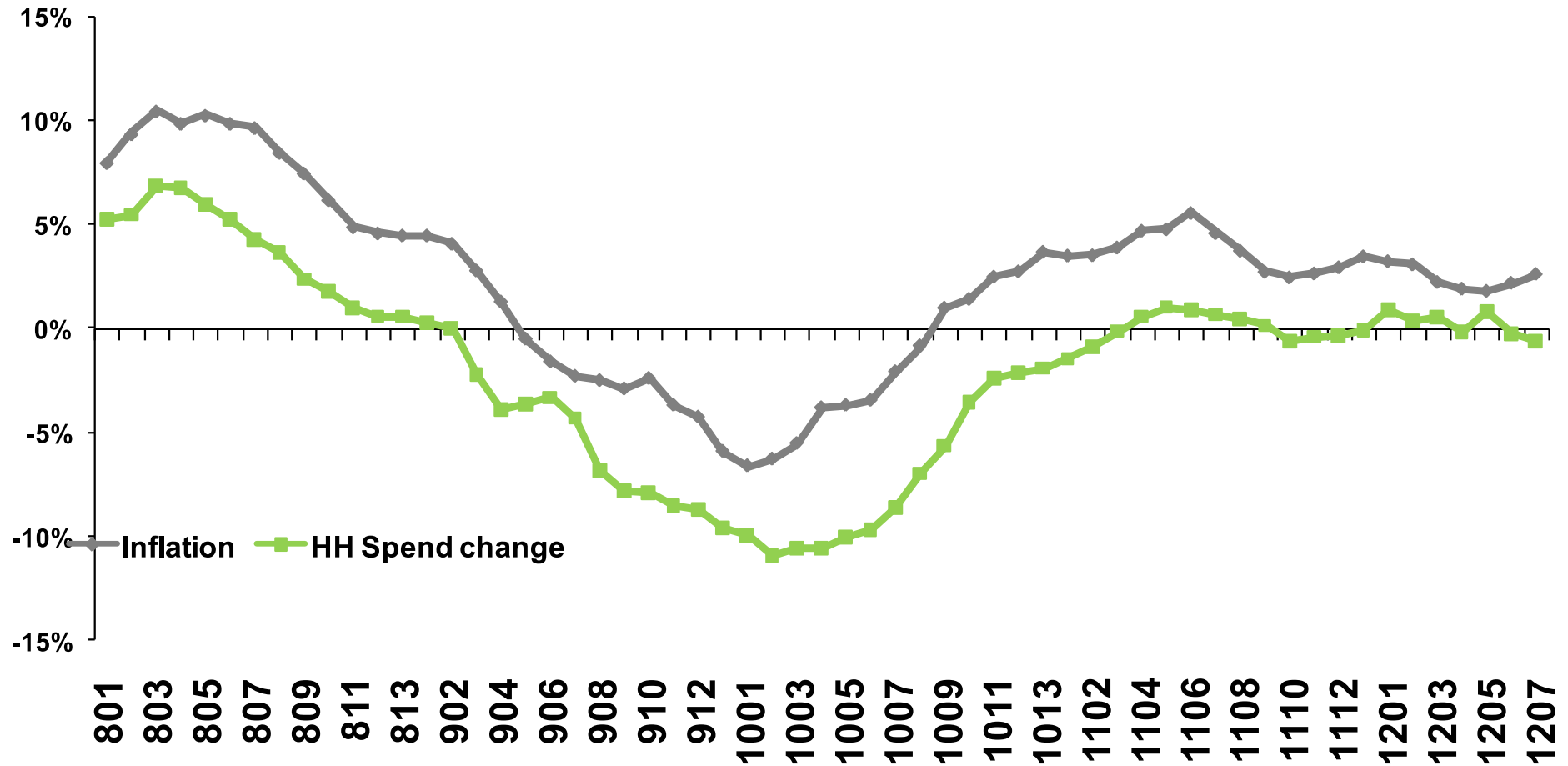
12w Total Grocery - value %chg by category



CHANGE IN INFLATION RATES AND HOUSEHOLD SPEND 12 W/E

Household spend change has decreased to -0.59% year on year

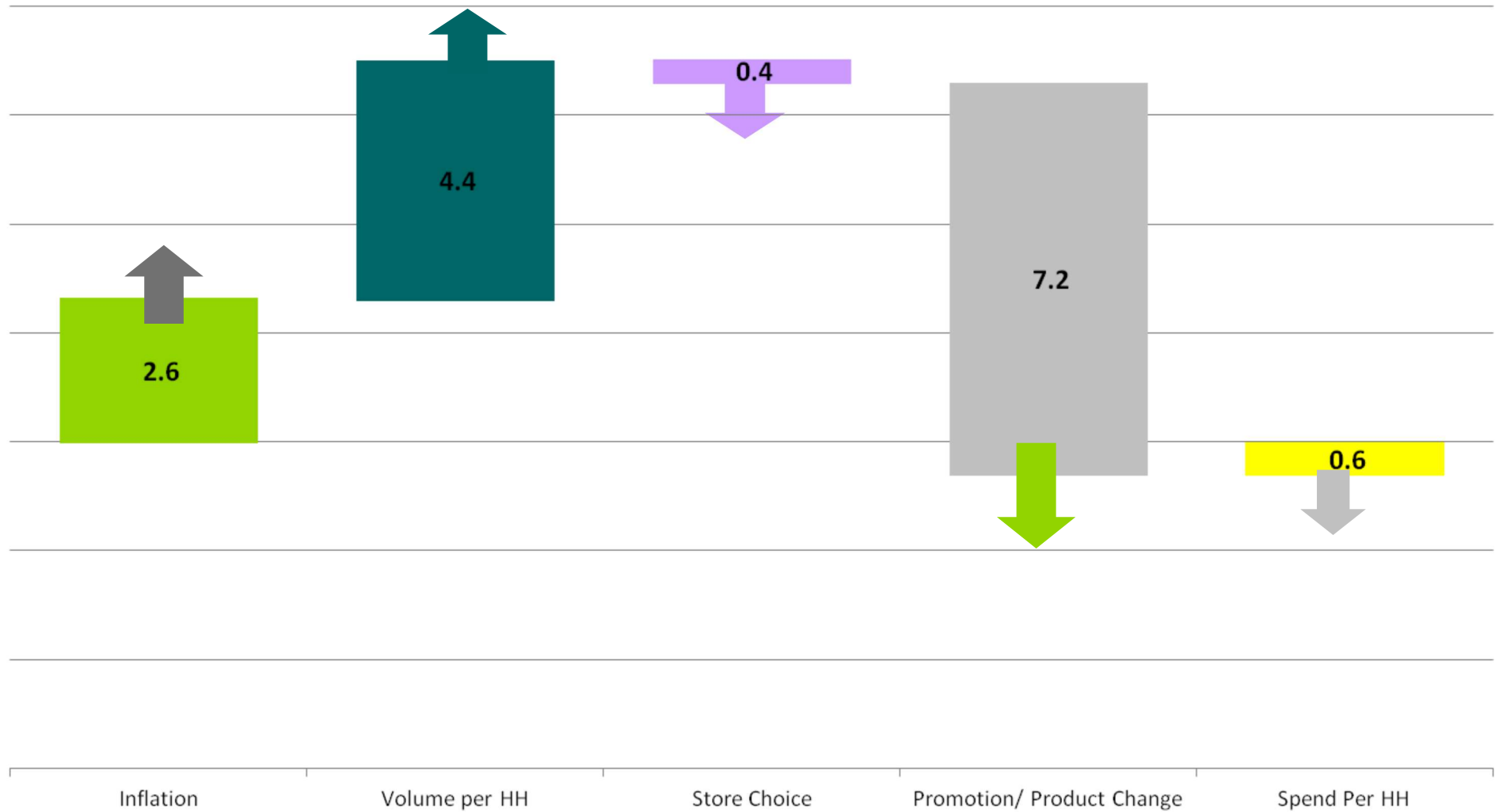
% change year on year – 12 week period



HOW DO SHOPPERS REACT TO INFLATION? – CONSUMER COPING STRATEGIES

Shoppers are buying more volume this year. With increased inflation, shoppers are coping by purchasing on promotion and trading down.

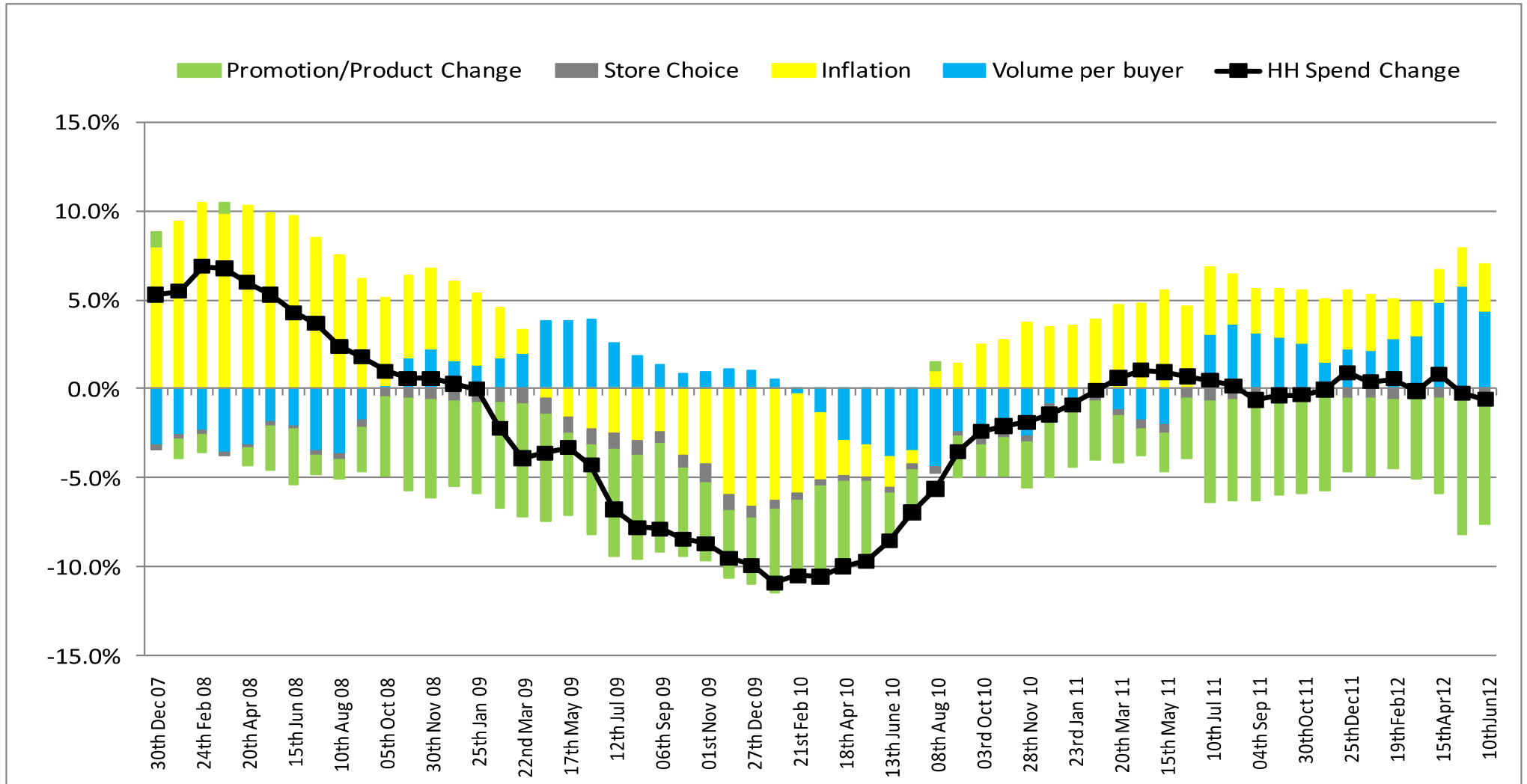
12w Total Grocery - consumer coping strategies



TRENDED VIEW OF CONSUMER COPING STRATEGIES -12 W/E

Buying on offer and trading down has been a key theme for shoppers since the start of 2008

12w Total Grocery - consumer coping strategies trended



CHANGES IN CONSUMER SHOPPING BEHAVIOUR 12 W/E

Irish households continue to shop more often this year, but spending an average of €0.80 less per trip

12w Total Grocery - changes in consumer shopping behaviour



2007

29%



(Under €30)

44%



(€30 - €100)

27%



(€100+)

2012

35%



(Under €30)

45%



(€30 - €100)

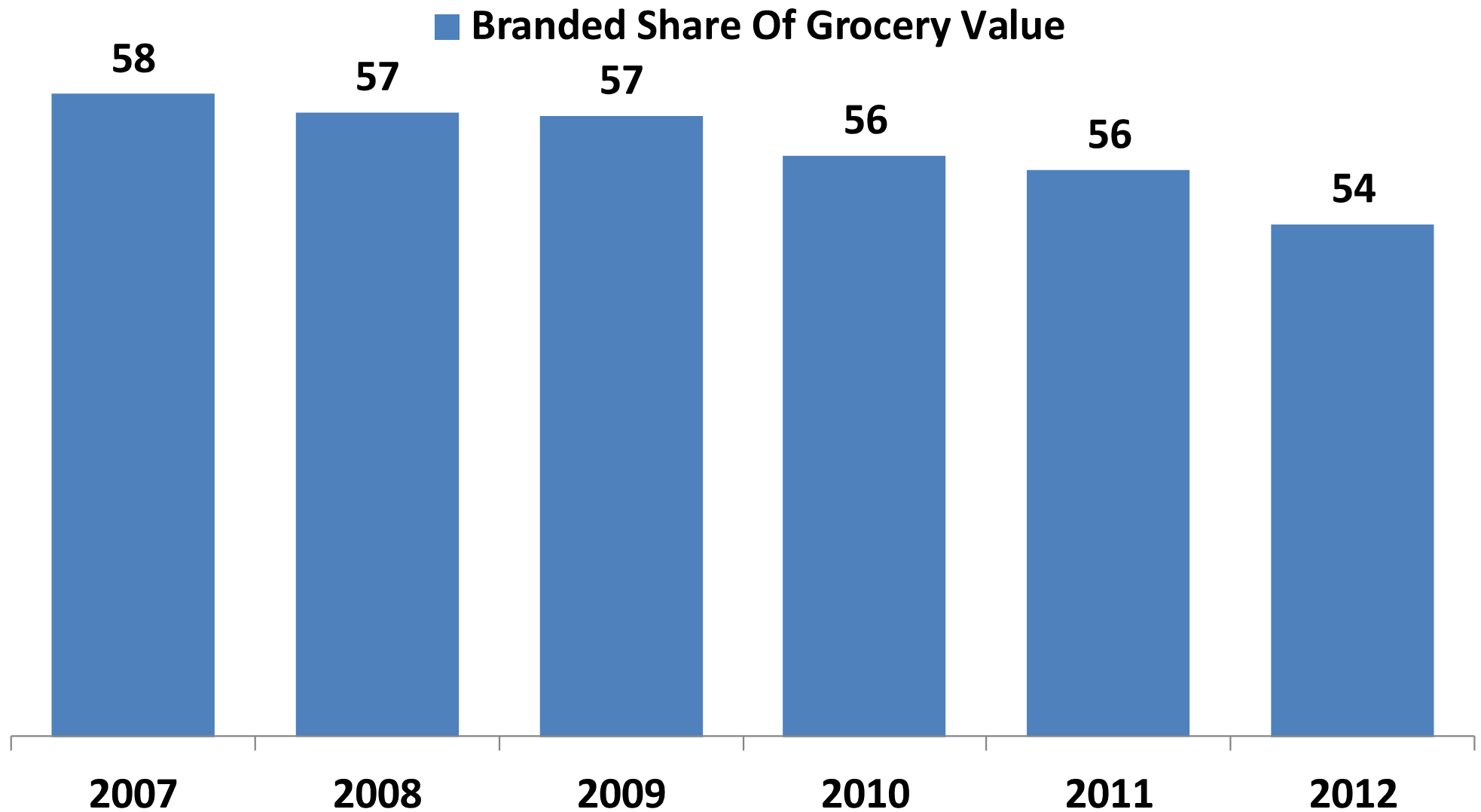
20%



(€100+)

BRANDED VALUE SHARE OF TOTAL IRISH GROCERY MARKET

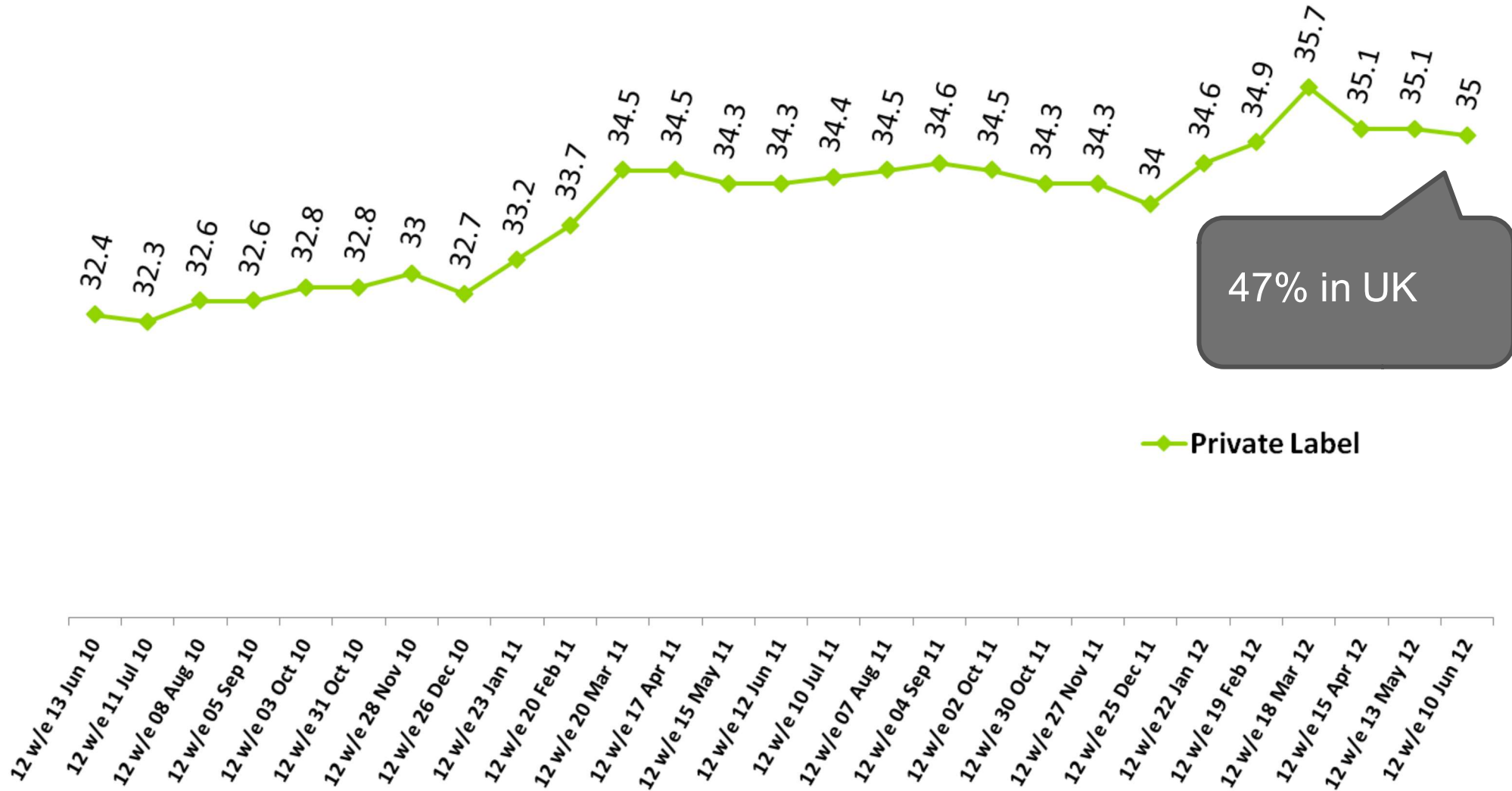
Branded goods losing resonance



PRIVATE LABEL VALUE SHARE OF TOTAL IRISH GROCERY

Private Label sales are driving market performance, however value share has fallen since March and is now 35%

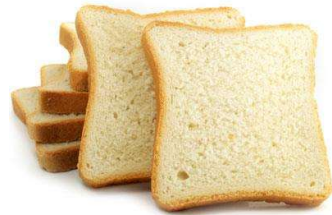
12w Total Grocery – PL value%



12 W/e 10 Jun 12

Top 10 growth categories 2007 - 2012

Bakery



Home Baking



Confectionery



Crisps & Snacks



Home Cooking



Ambient Carbs



Hot Beverages



Frozen Food



Canned Food



Soft Drinks





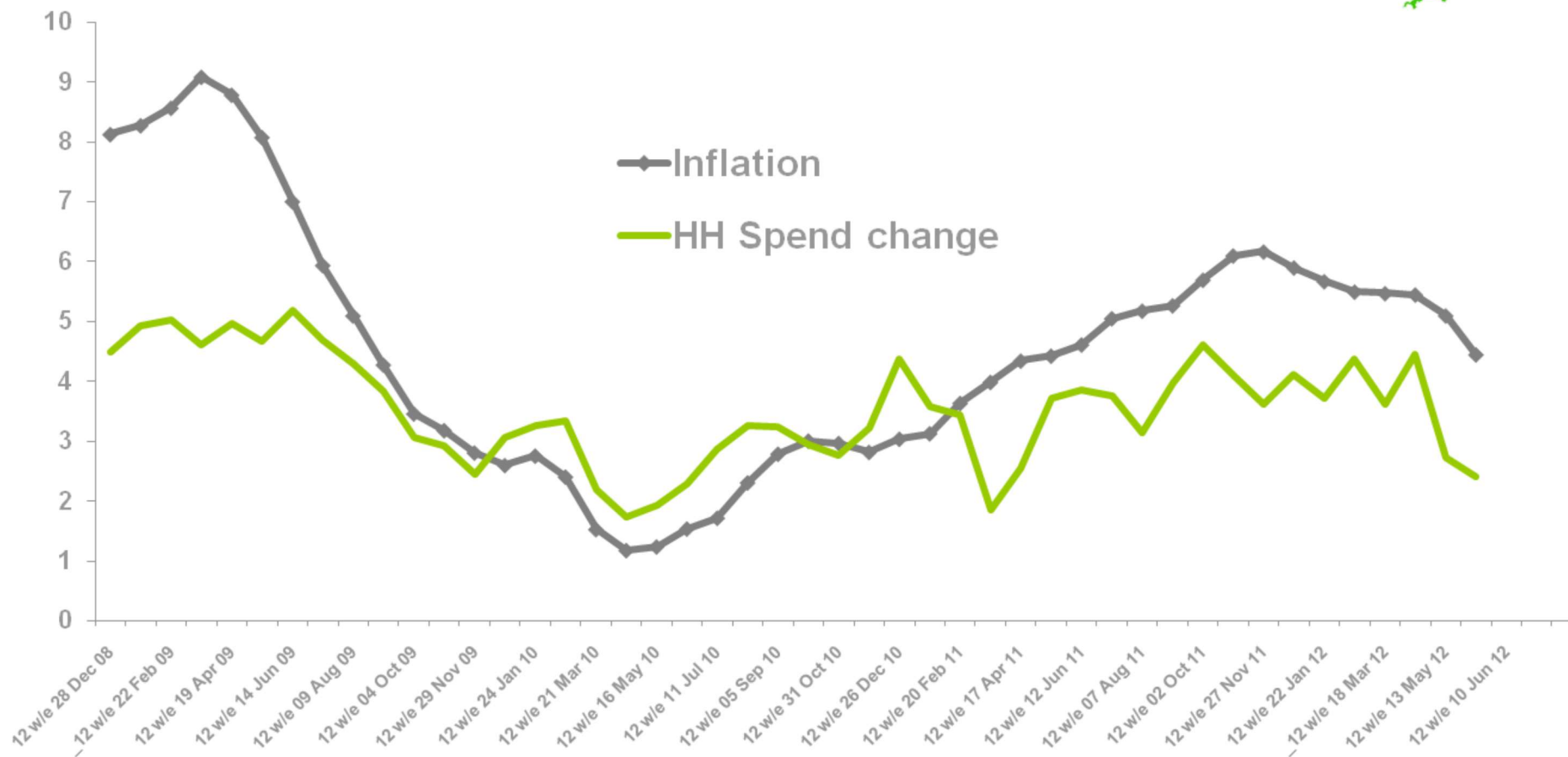
UK Market Overview

UK GROCERY SUMMARY

- Inflation slowing in UK grocery, household spend also slows, but the market is still in growth year on year.
- Own label products grow ahead of branded goods, with own label market share now at 47%.
- Shoppers manage spend by buying into own label and trading down price tier.

TOTAL UK MARKET SALES GROWTH 12W/E

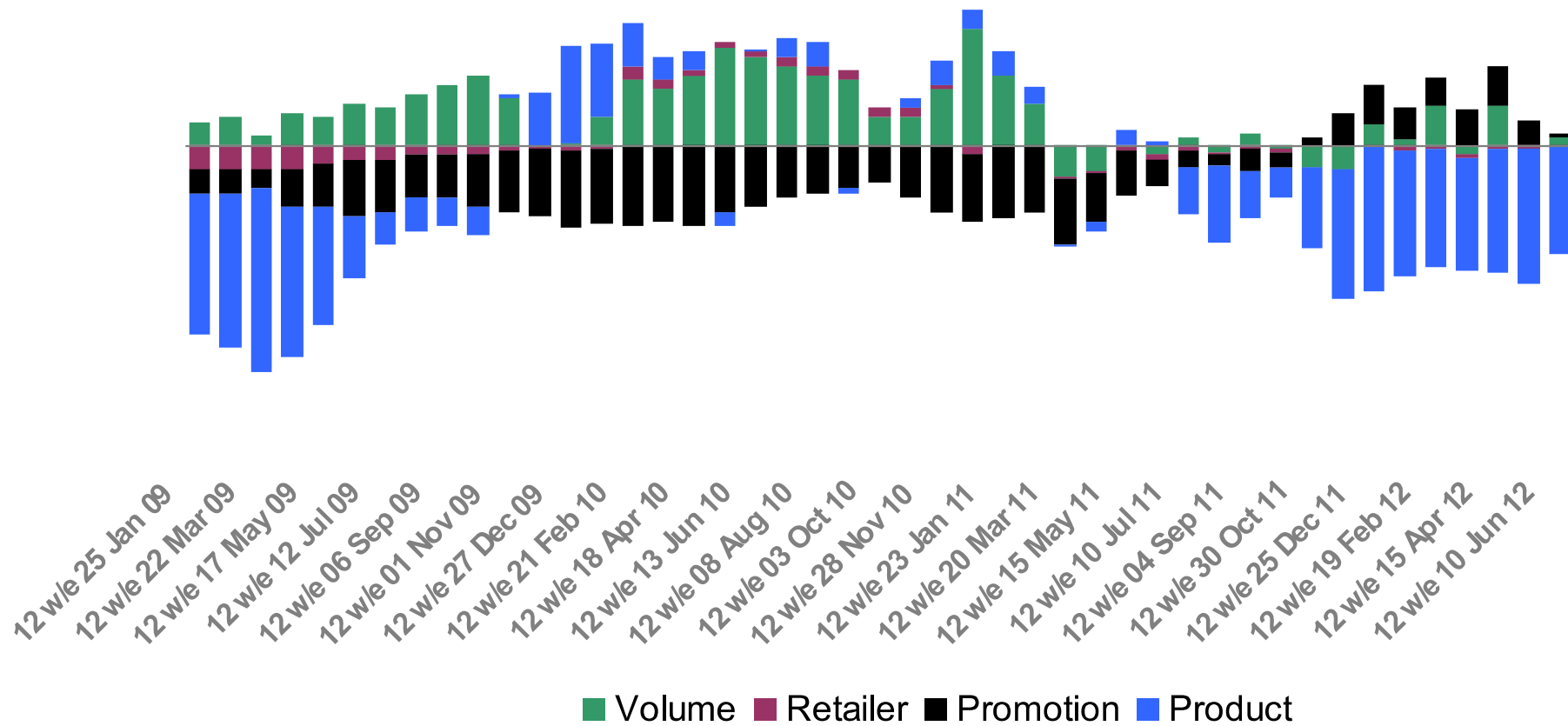
The UK market is in 12w/e sales growth of 2% this period while inflation slows to 4.45%.



12 W/e 10 Jun 12

UK SHOPPER REACTION

Trading down product is key for UK households managing their spend



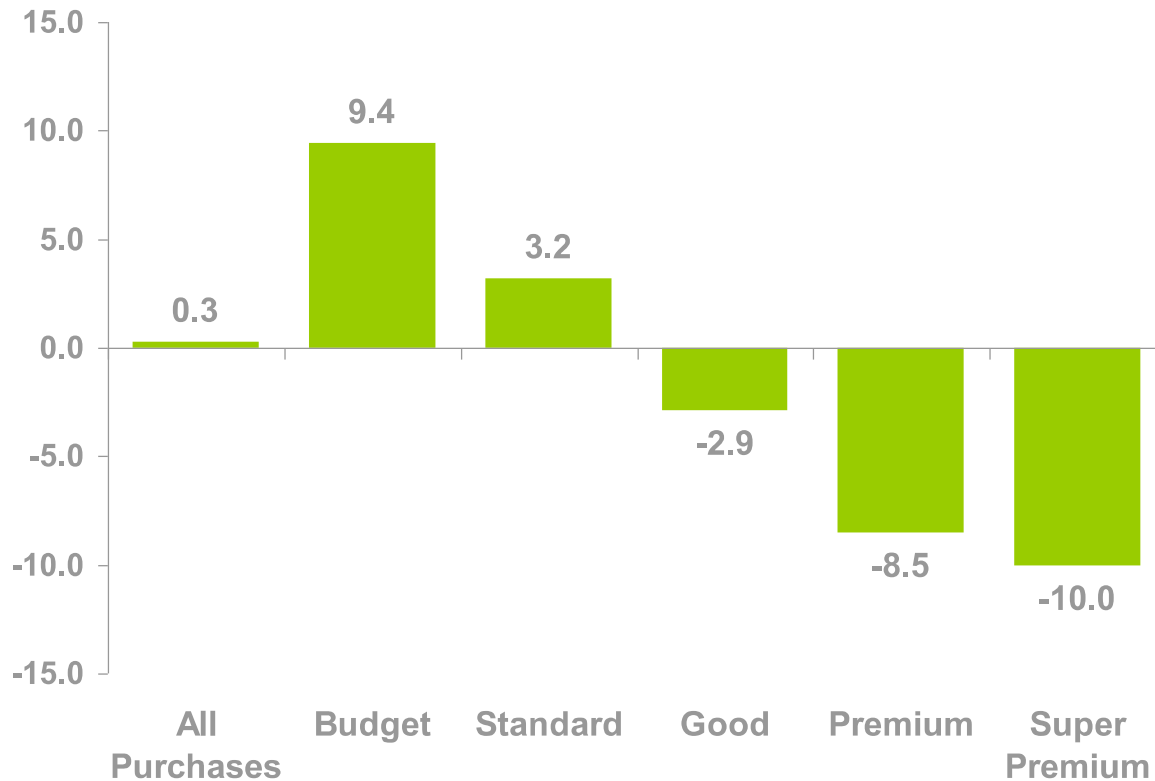
12 W/e 10 Jun 12

UK GROWTH IN GROCERY PACK SALES BY PRICE BAND

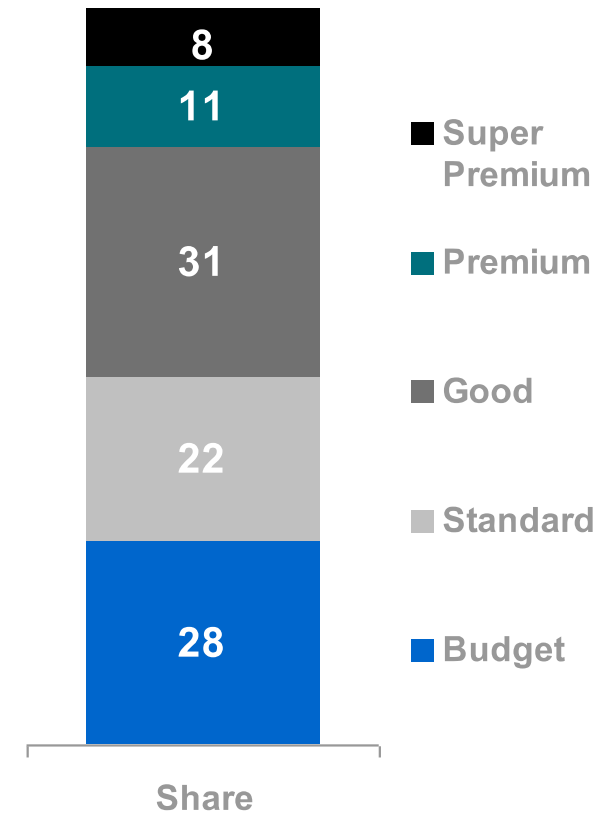
With shoppers seeking to manage their spend in the UK, budget products see a strong increase in sales.

Growth in Grocery sales (Packs)

Change in sales



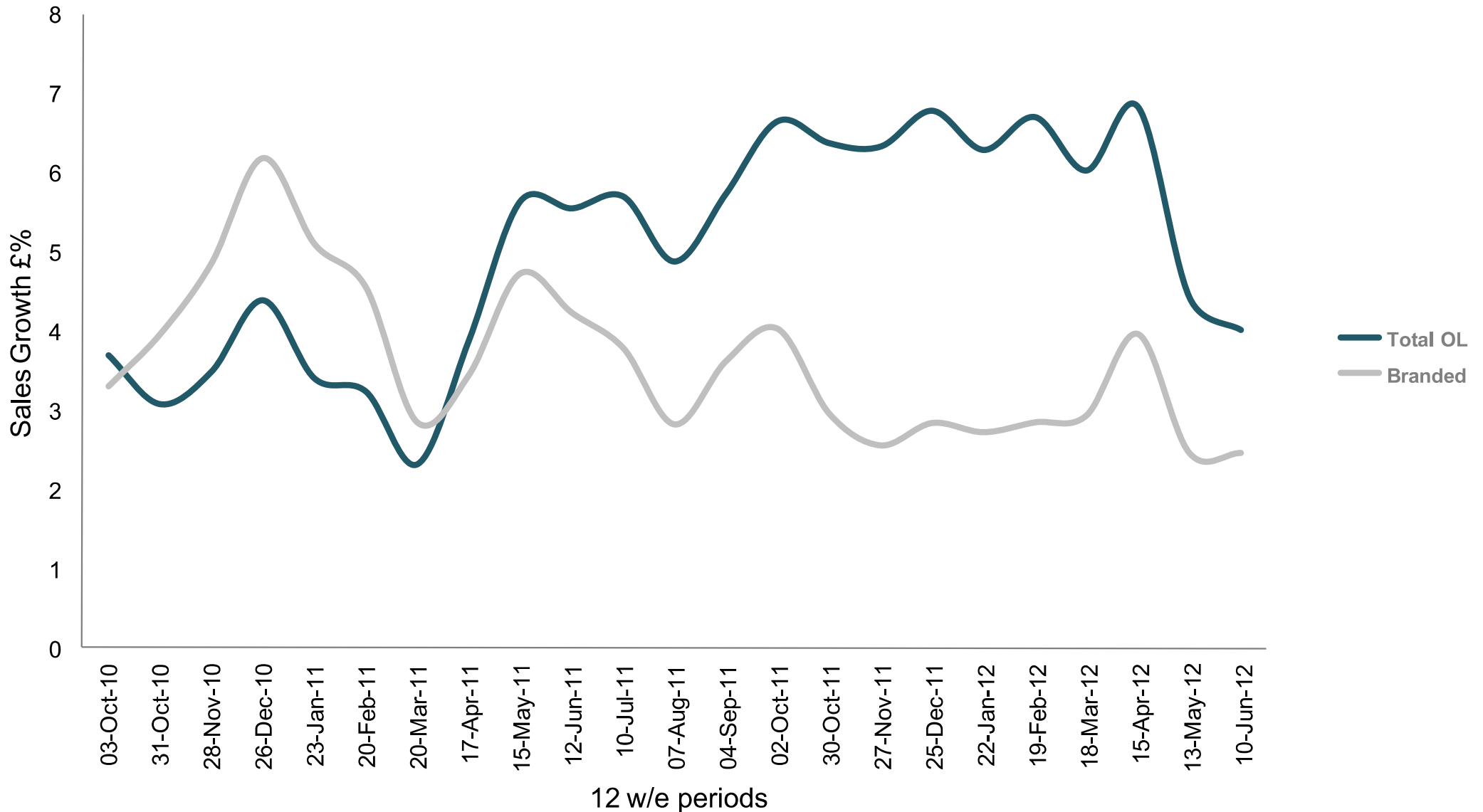
Share of sales



PRIVATE LABEL VS BRANDED YEAR ON YEAR GROWTH – VALUE 12 W/E

Own label also sees growth ahead of branded goods over this year

Total Grocers Year-on-Year £% Changes



12 W/e 10 Jun 12