ROI GROCERY MARKET REVIEW

Data to 15th September 2013

KANTAR WORLDPANEL High definition inspiration

Market Overview

- The market is seeing positive growth on an annual basis and in the shorter term by +1.2%.

- While there has been price inflation, shoppers continue to compensate for price increases by purchasing on offer and trading down to cheaper lines. In spite of this household spend has increased year on year by +2.1%.

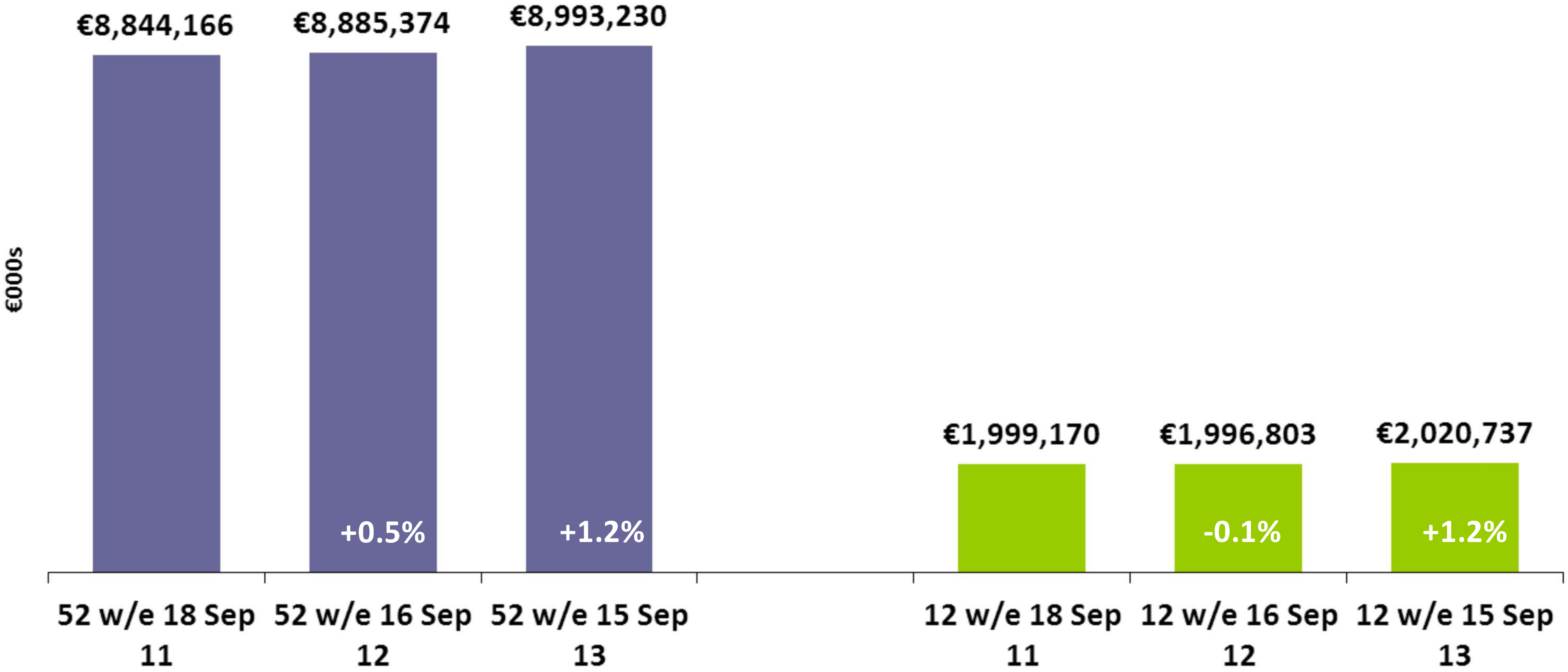
- Irish households are spending slightly more per trip this period, and more per year, however they are making less trips.

- Shoppers continue to shop around.

- Private label continues to be important as a method of reducing spend with a market share at 37.3%.

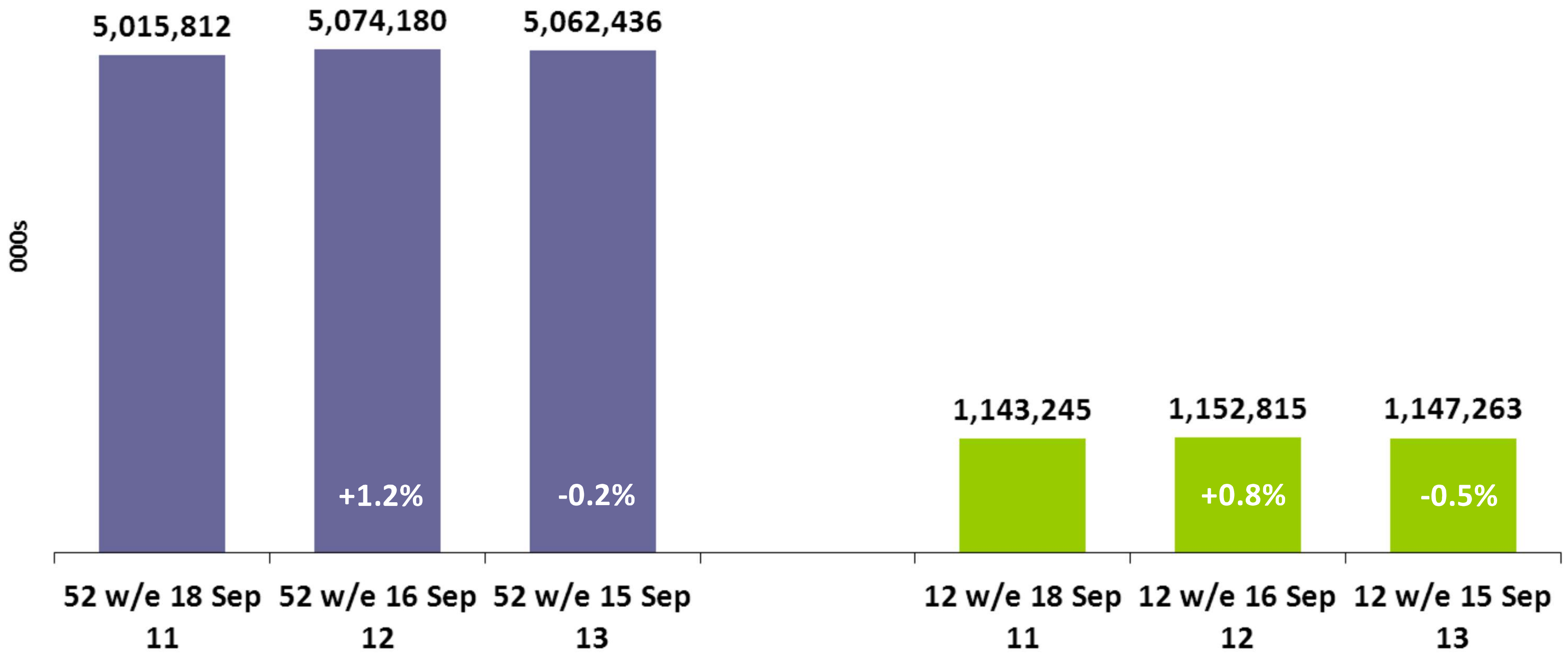
TOTAL IRISH GROCERY MARKET VALUE AND GROWTH 52 &12 W/E

Irish grocery market sales have grown over 52we and 12we by +1.2%.



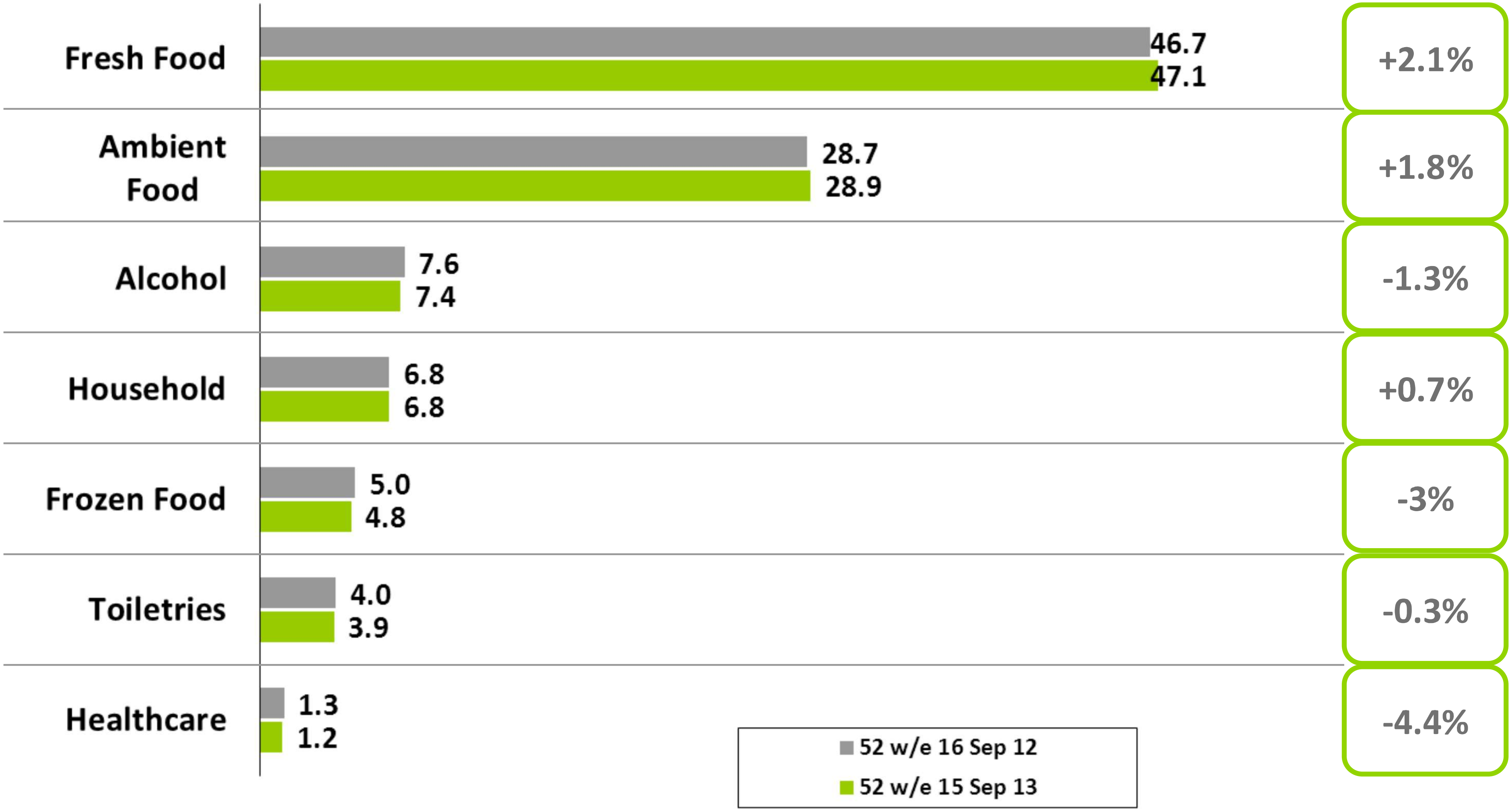
TOTAL IRISH GROCERY VOLUME SALES AND GROWTH 52 &12 W/E

Volume of sales falling slightly in both 52 and 12 we.



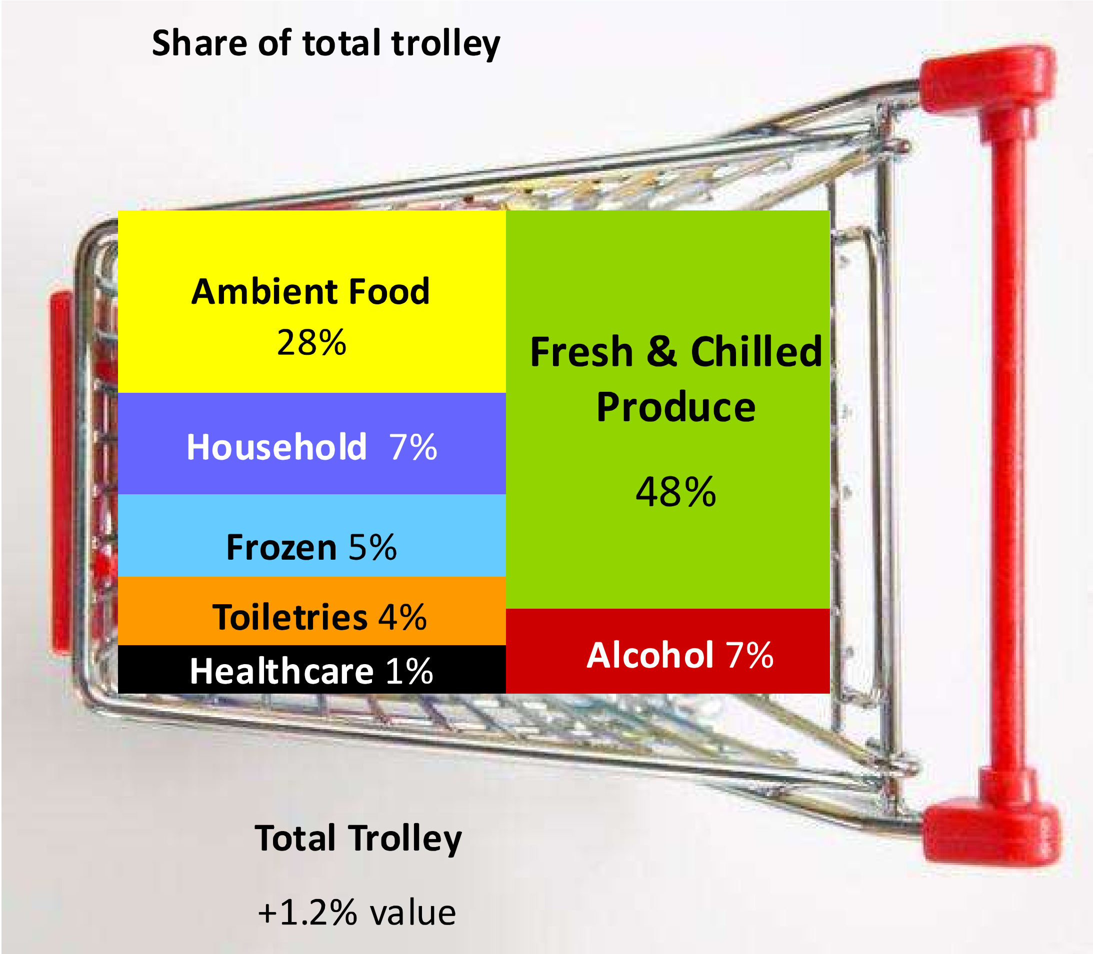
TOTAL GROCERY SECTOR VALUE SHARE & GROWTH 52W/E

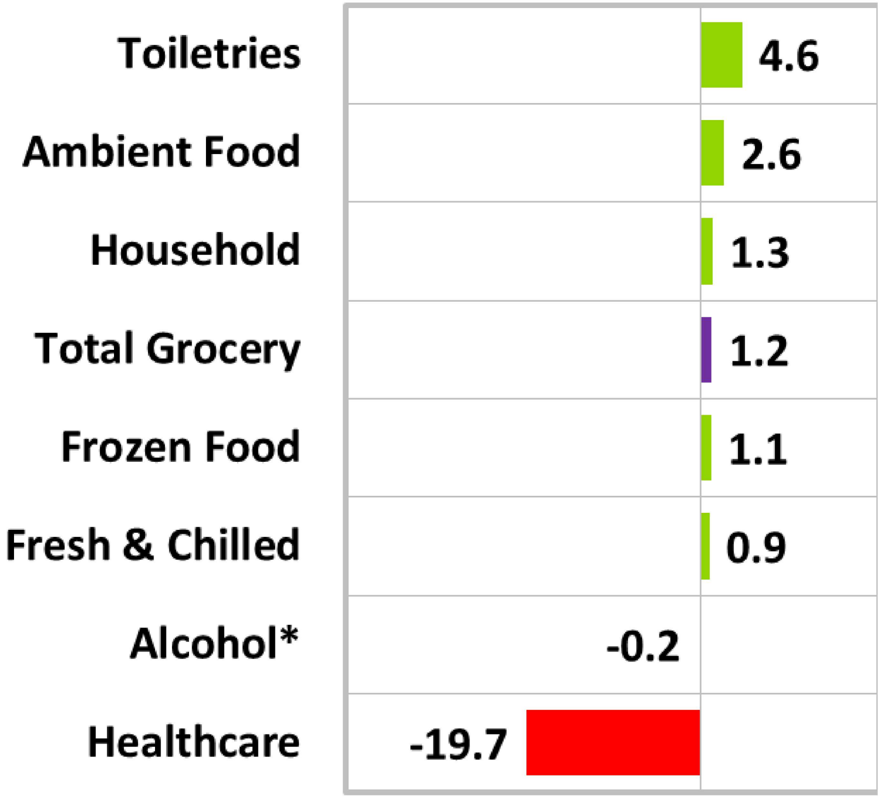
Fresh Food and Ambient Food is driving growth in Grocery.



TOTAL GROCERY SECTOR VALUE SHARE & GROWTH 12W/E

Grocery Market's growth has been driven by the performance of Toiletries and Ambient Food.

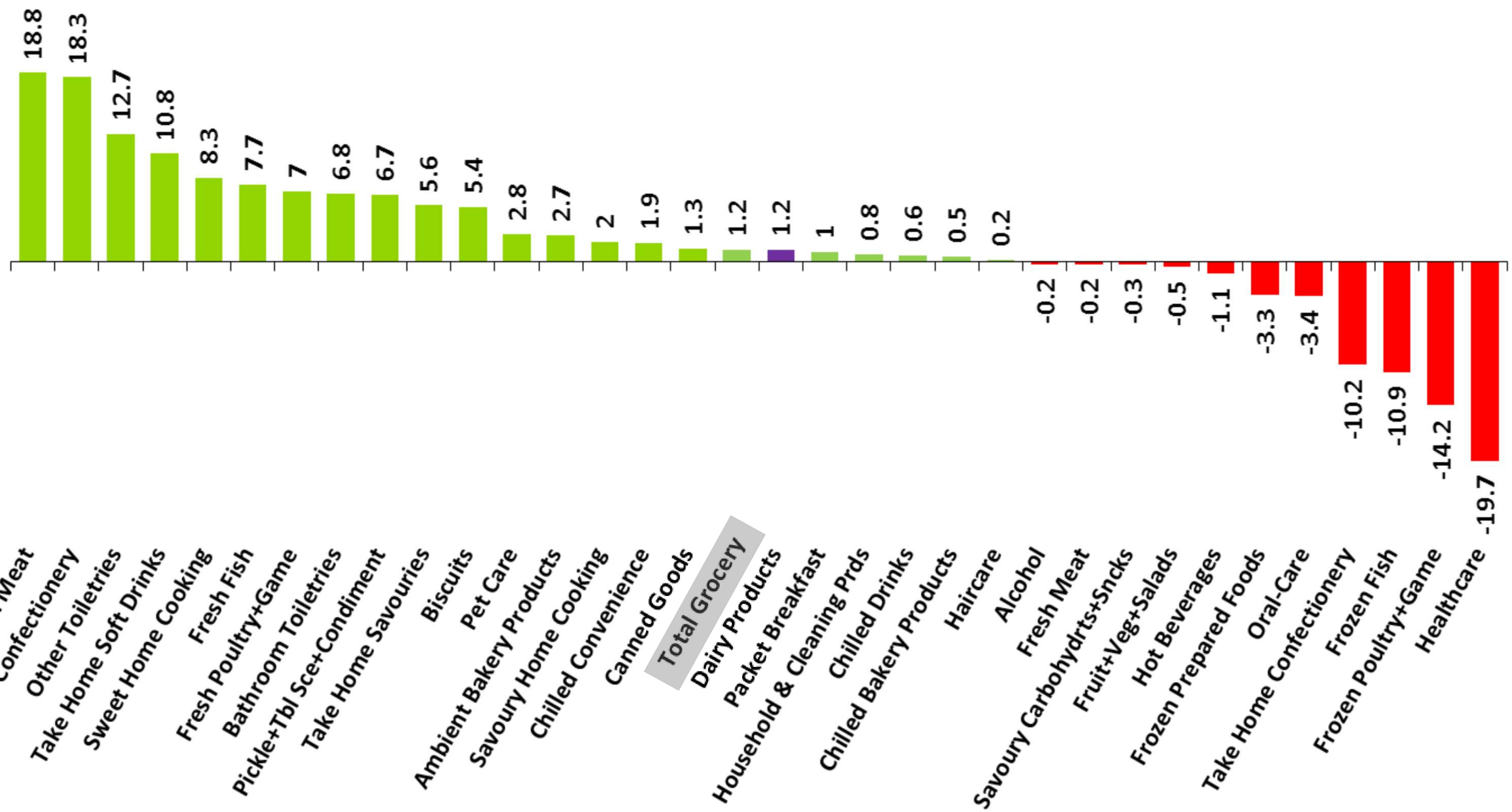




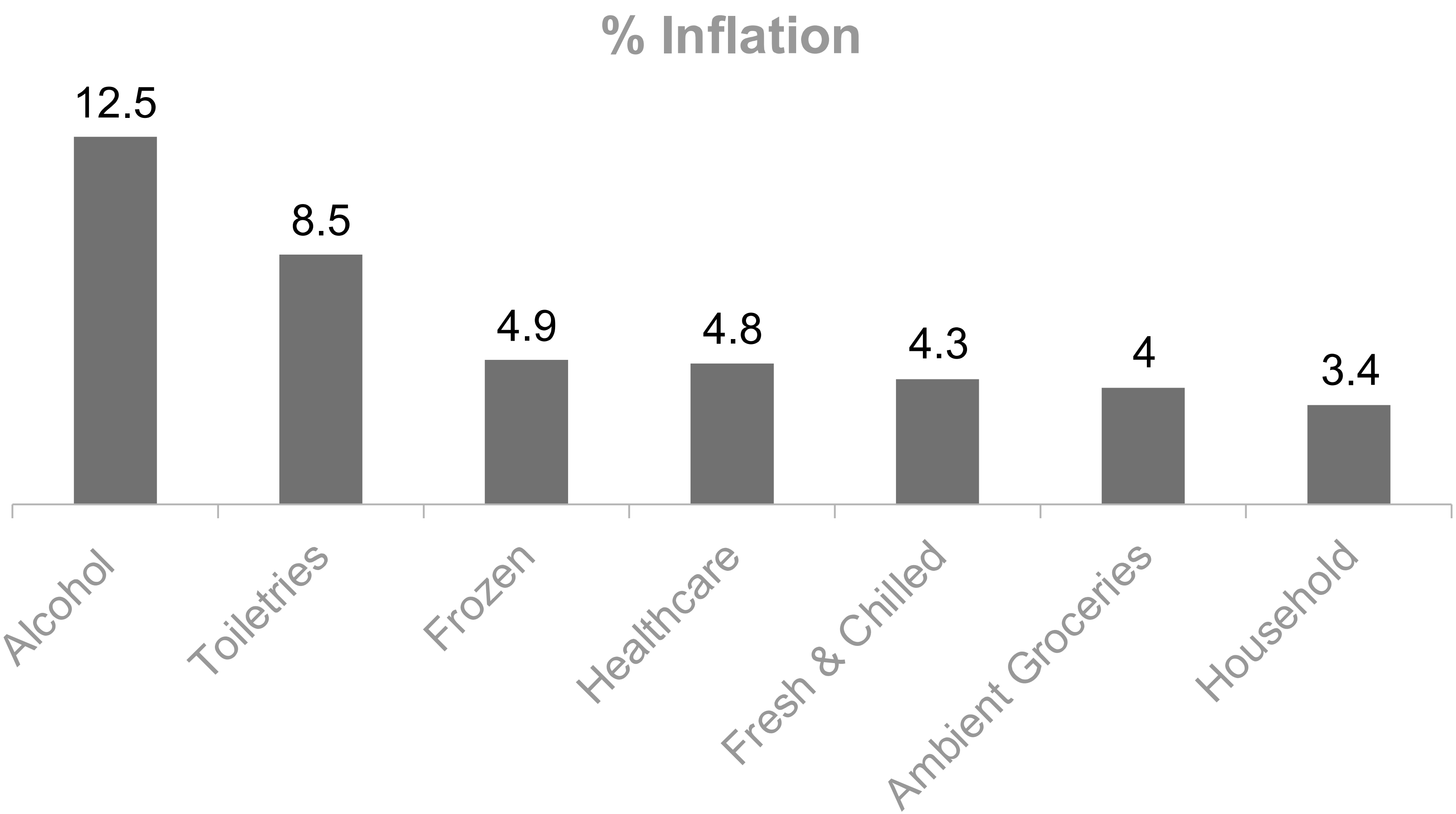
ANALYSIS BY CATEGORY – GROWTH/DECLINE?

Frozen Meat and Confectionary have grown, on the back of decline for Healthcare and Frozen Poultry and Fish.

12w Total Grocery - value % change by category



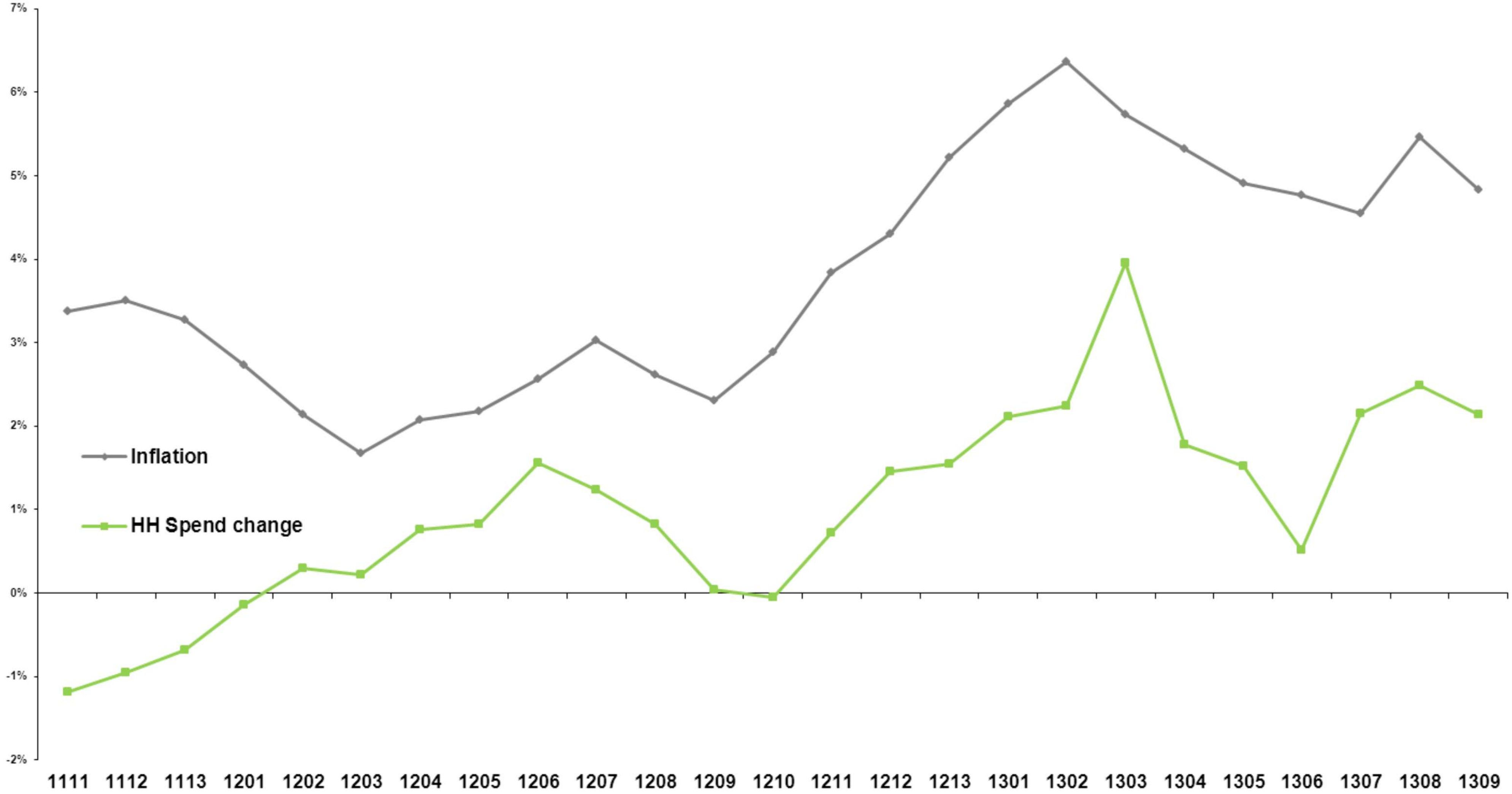
Large majority of markets seeing price inflation, in particular Toiletries and Alcohol



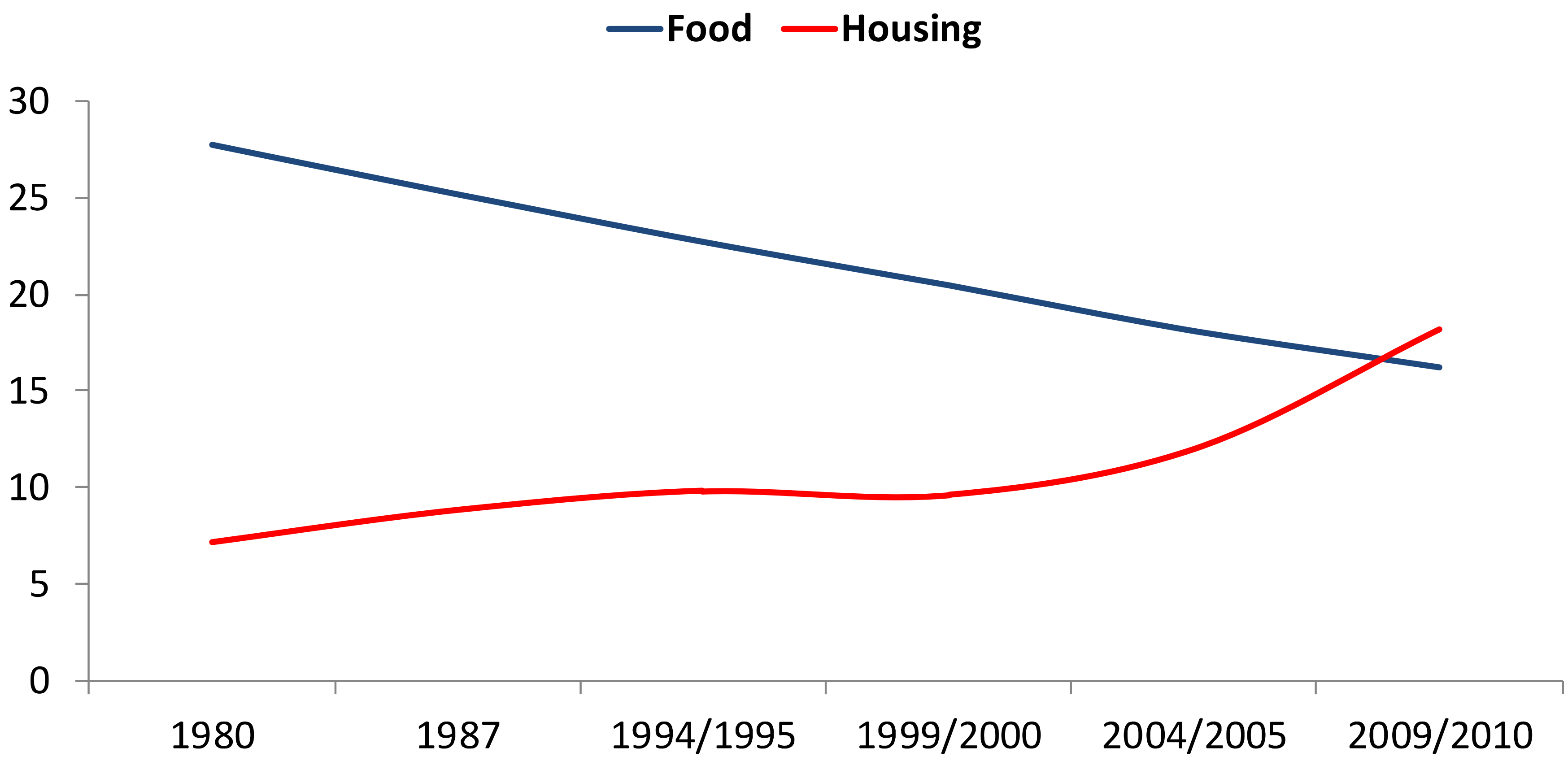
CHANGE IN INFLATION RATES AND HOUSEDHOLD SPEND 12 W/E

Household Spend has increased by +2.1% year on year as households fight inflation increases.

% change year on year – 12 week period



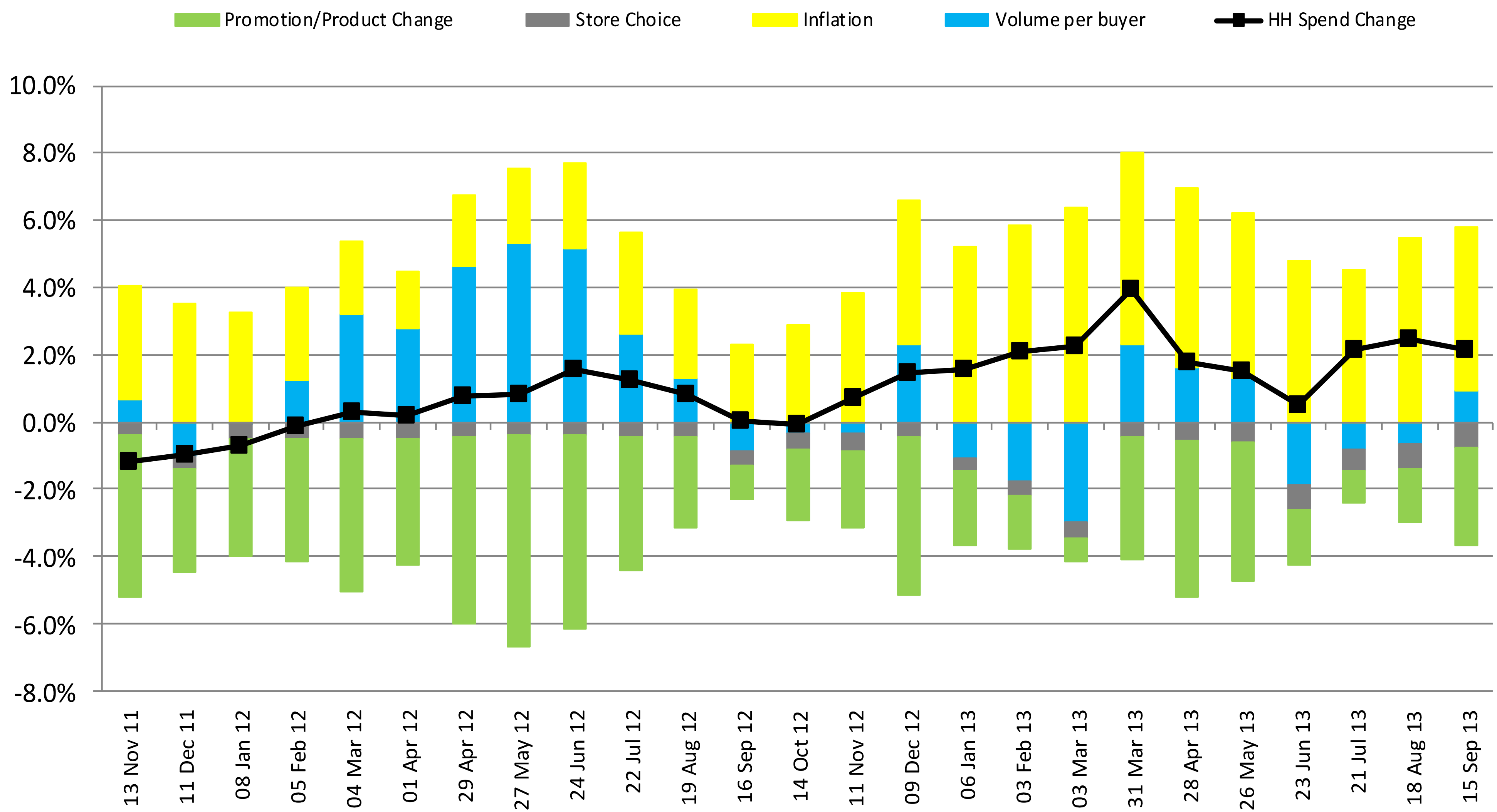
Food accounting for less of overall Household Expenditure



CSO – Household Budget Survey 2009-2010 Volume 2

TRENDED VIEW OF CONSUMER COPING STRATEGIES – 12 W/E

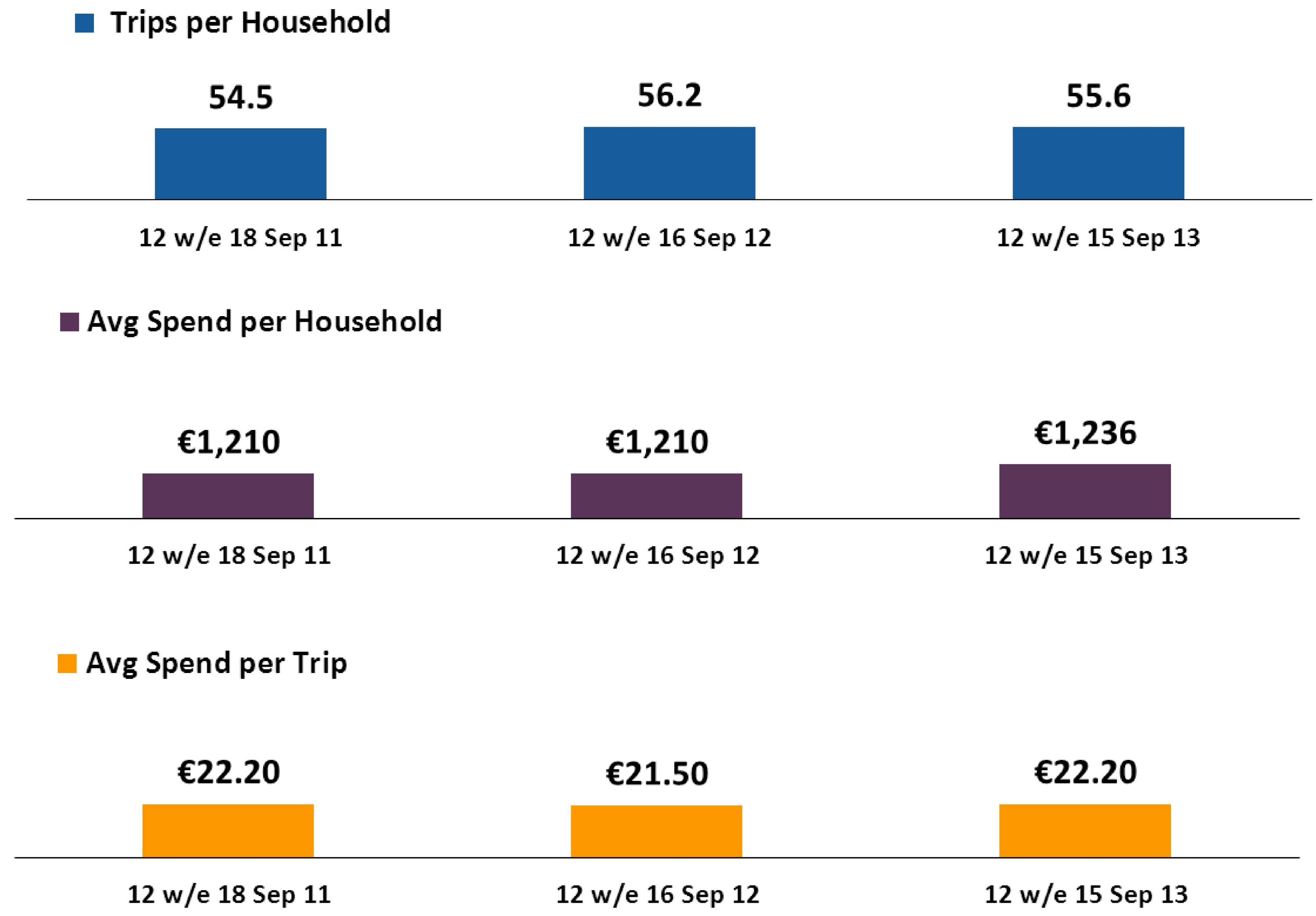
Shoppers are dealing with inflation by buying on promotion and switching stores.



CHANGES IN CONSUMER SHOPPING BEHAVIOUR 12W/E

Frequency has decreased by -1.1%, with shoppers spending more per trip. This has led to an increase in spend per Household of €26.

12w Total Grocery - changes in consumer shopping behaviour



Average frequency decreased by -1.1%

Increase in 12w spend per HH (+2.1%)

Average basket spend is up by +3.2%

Shopper are buying less categories over time

Average number of categories bought by shoppers in a given year

2011

126

2012

125

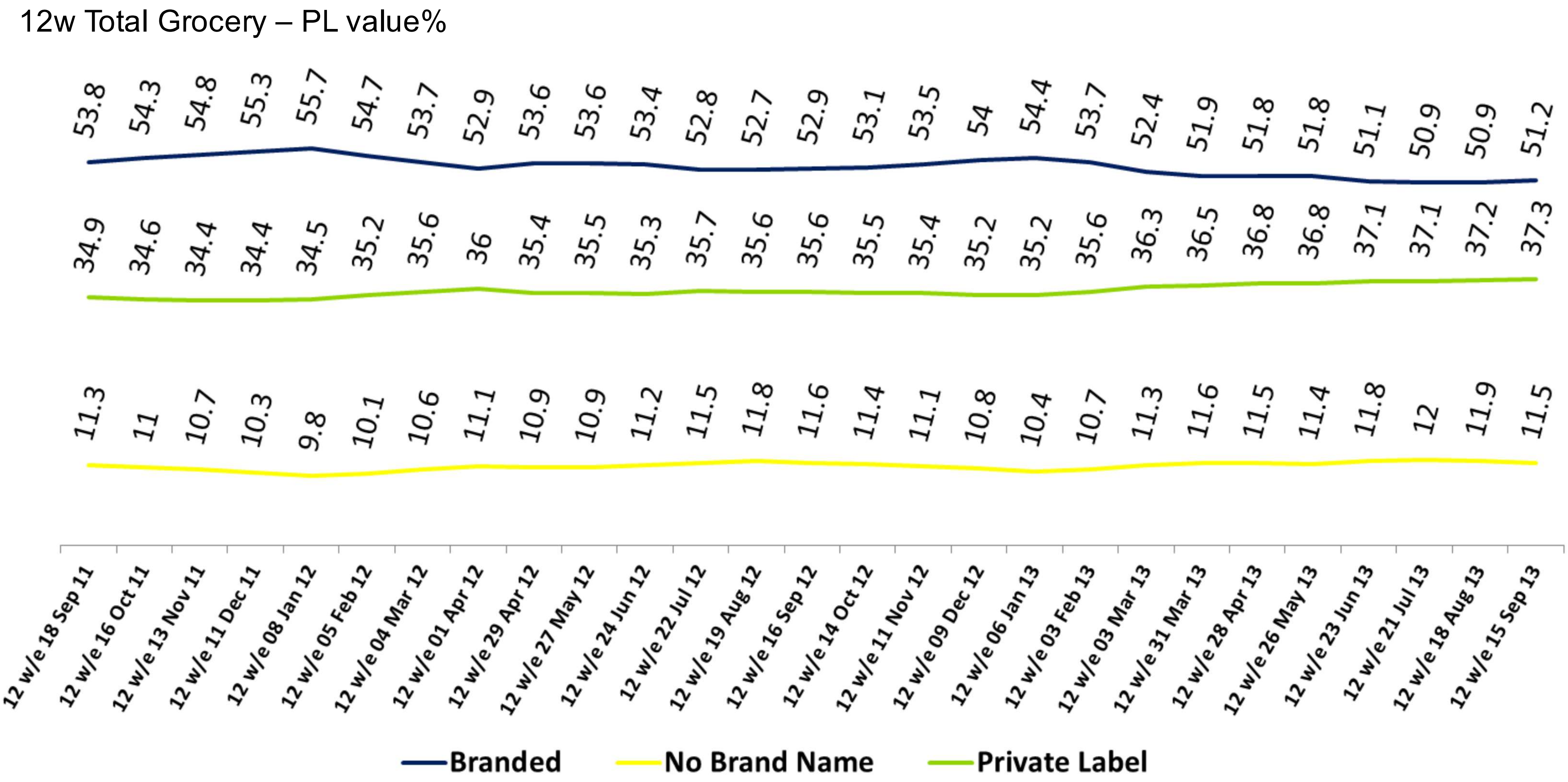
2013

124

157
Categories seeing volume decline

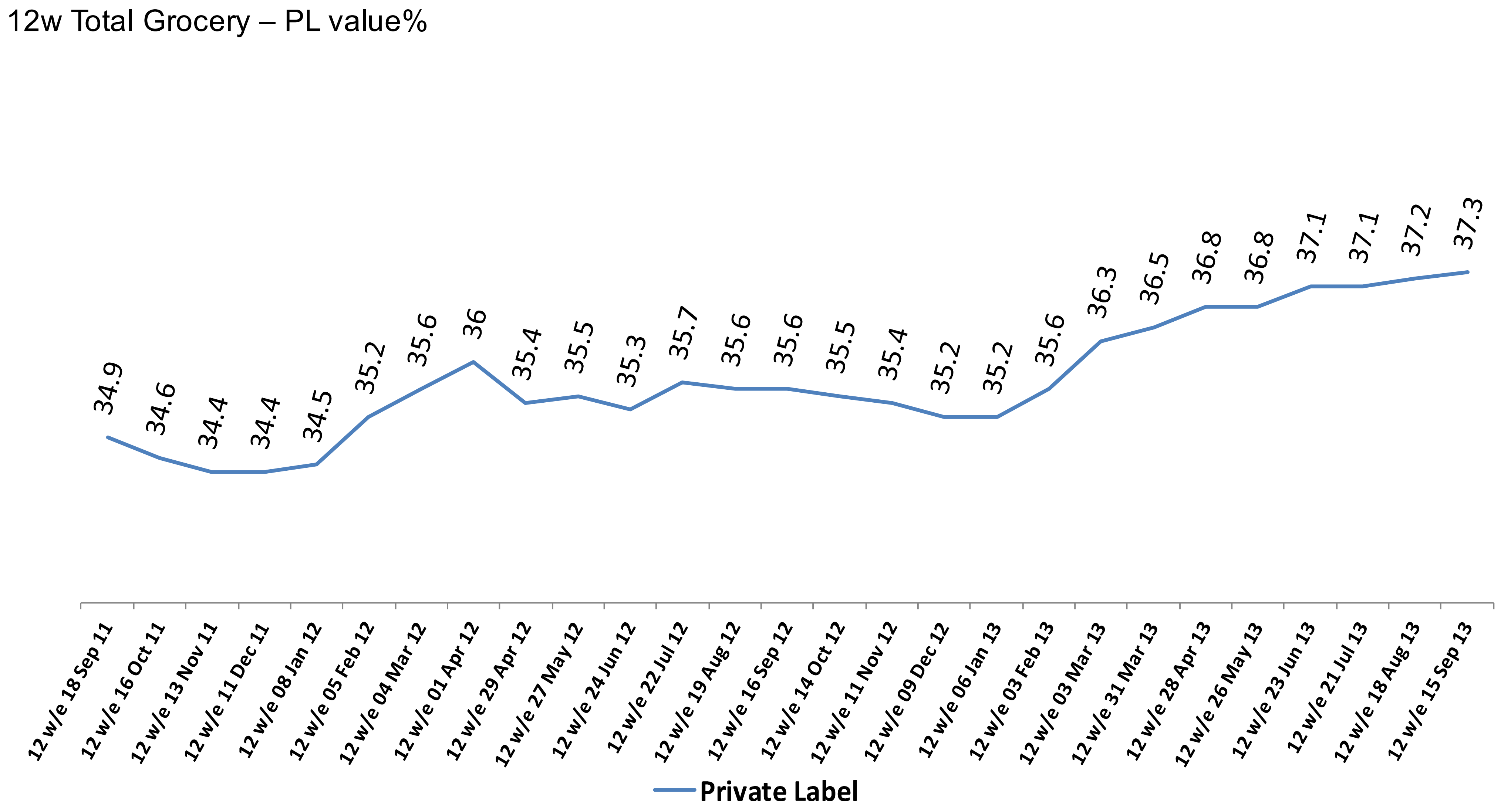
SHARE OF MARKET – BRANDED, PRIVATE LABEL AND NO BRAND NAME

Branded share have seen some growth as Private Label remains steady.



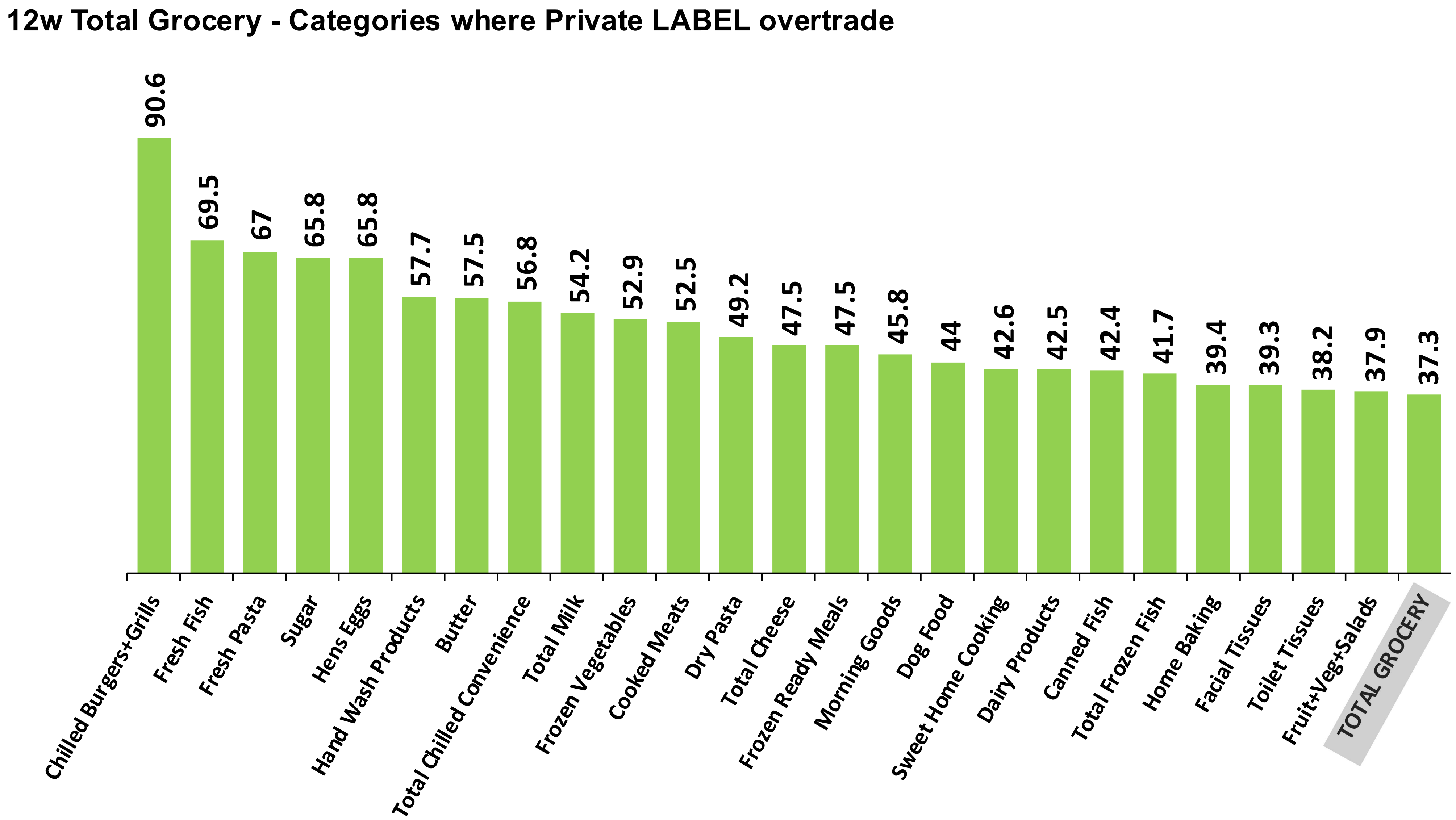
PRIVATE LABEL VALUE SHARE OF TOTAL IRISH GROCERY

Private Label remains steady at 36.7%



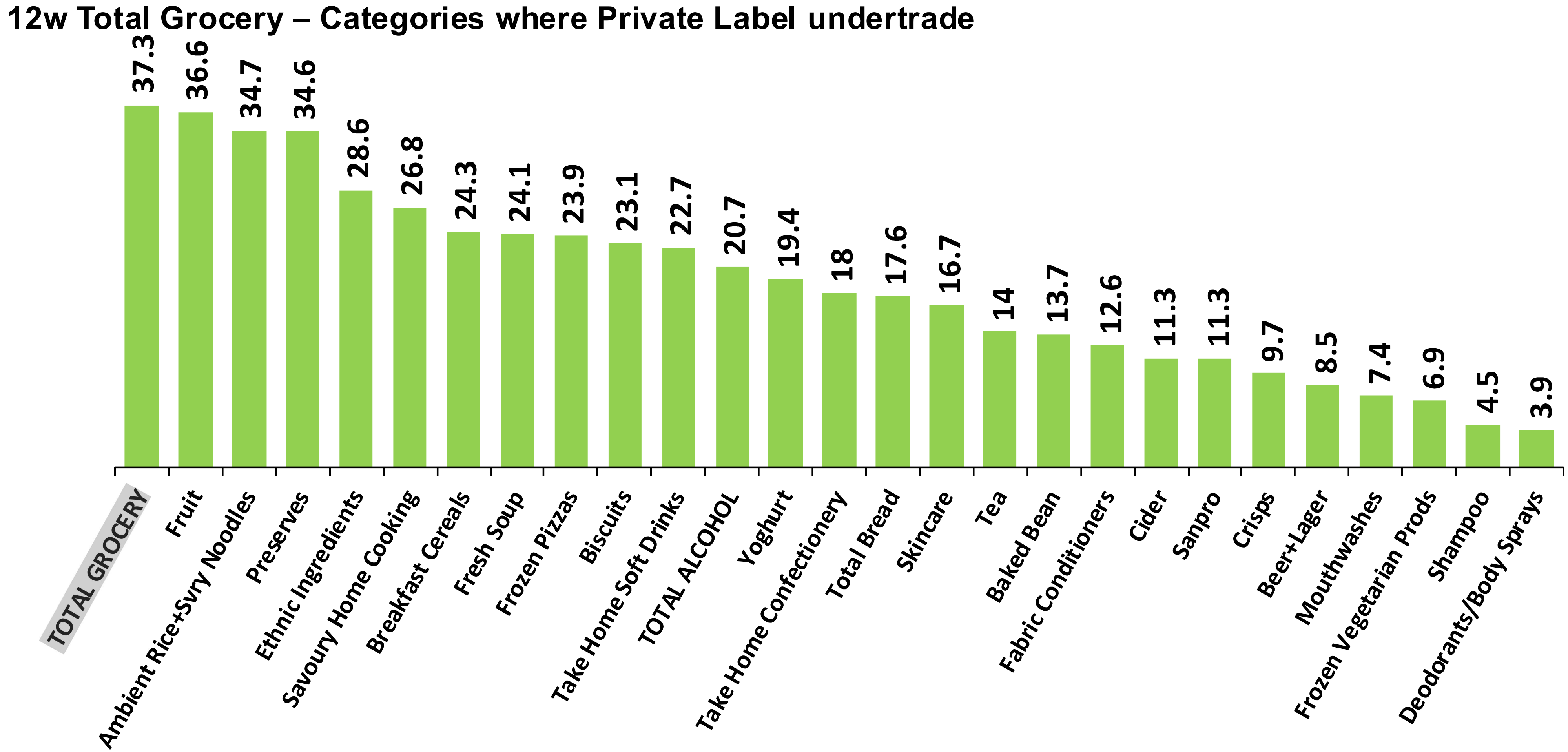
PRIVATE LABEL % VALUE SHARE BY CATEGORY

Where is Private Label Strong? – Meats and staples are key for Private Label



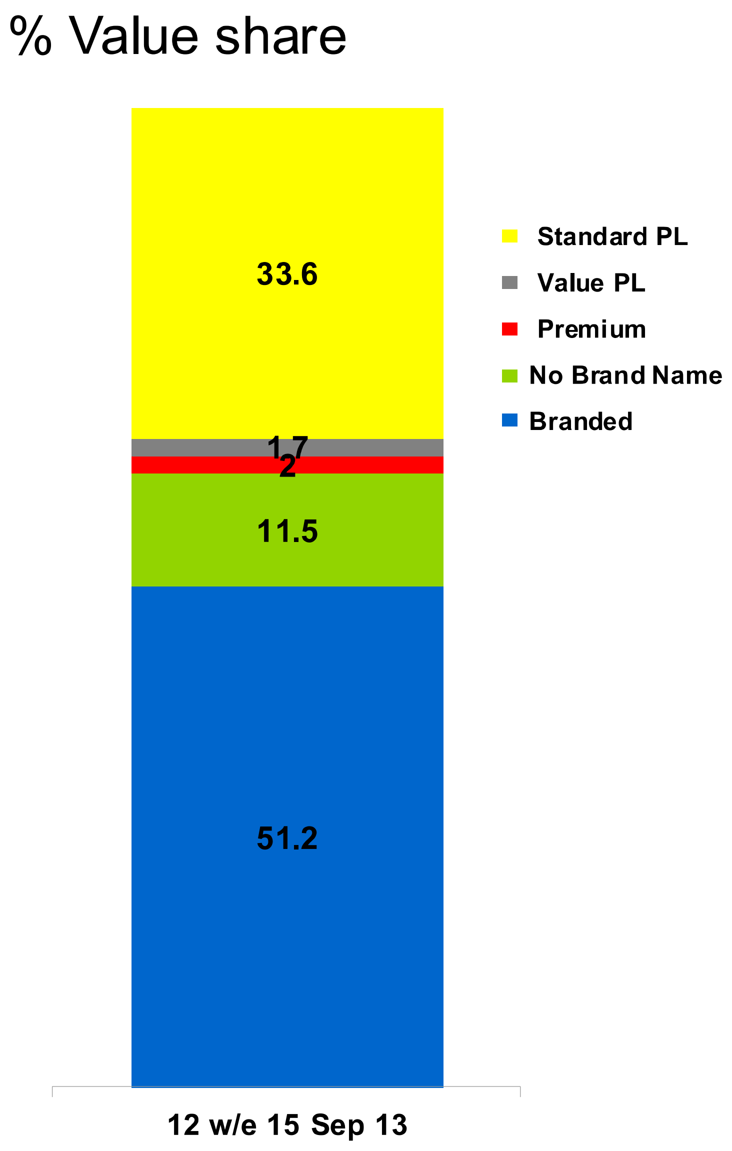
PRIVATE LABEL % VALUE SHARE BY CATEGORY

Where is Private Label weaker? – Categories with multiple strong brands and toiletries perform well

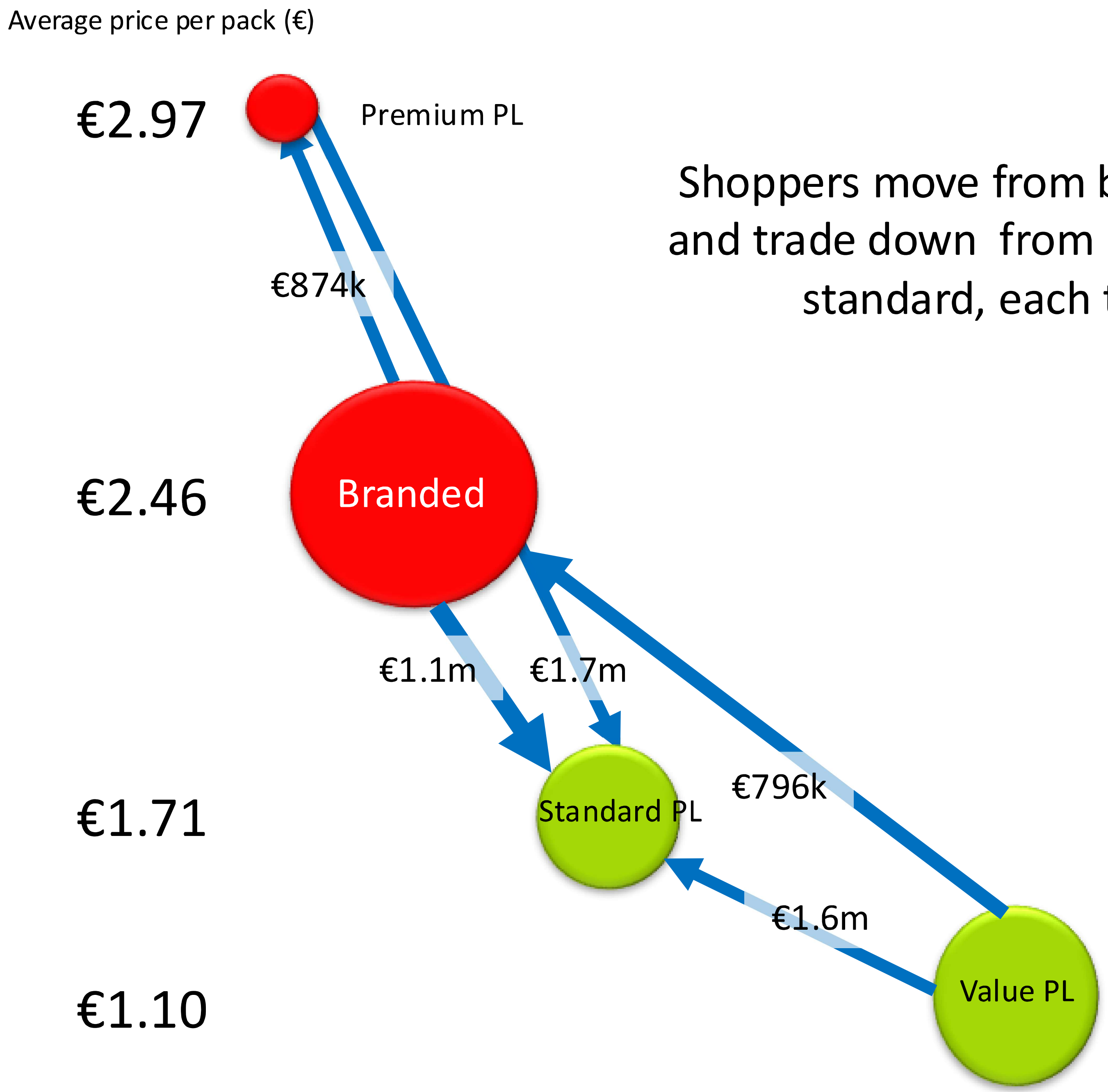


MARKET SHARE AND GROWTH BY BRANDED AND PRIVATE LABEL TIER

Standard Private Label in growth this period while Premium Private Label declines

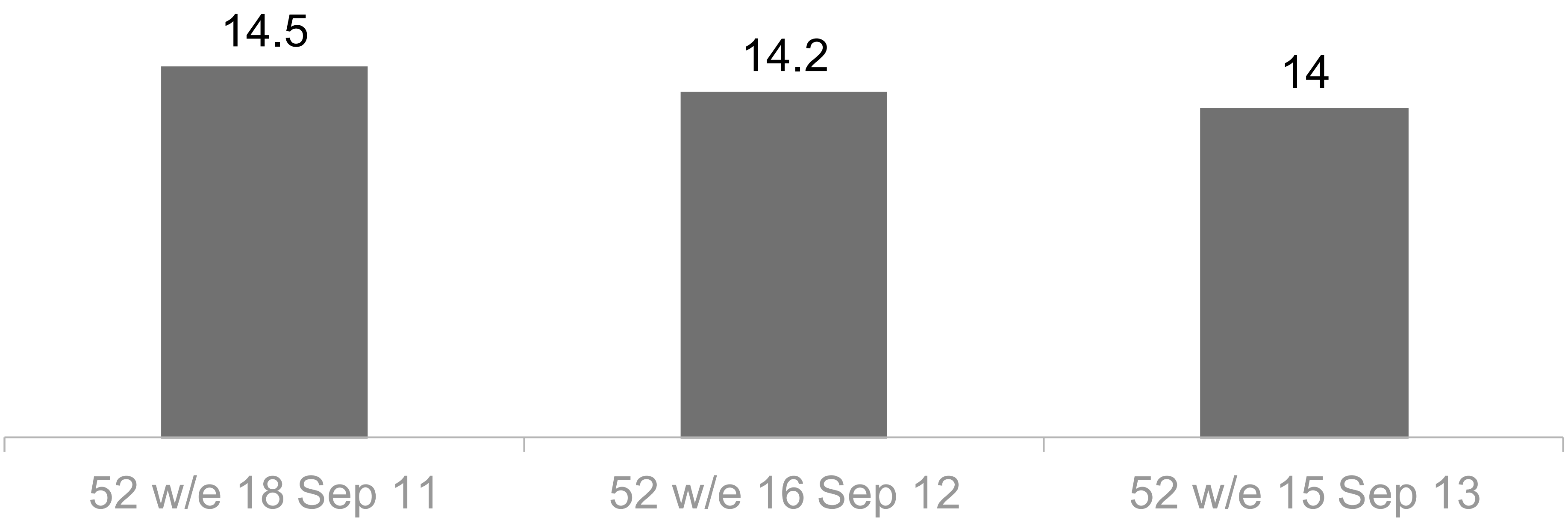


Shoppers move from branded to Private Label, and trade down from Premium Private Label to standard, each time spending less



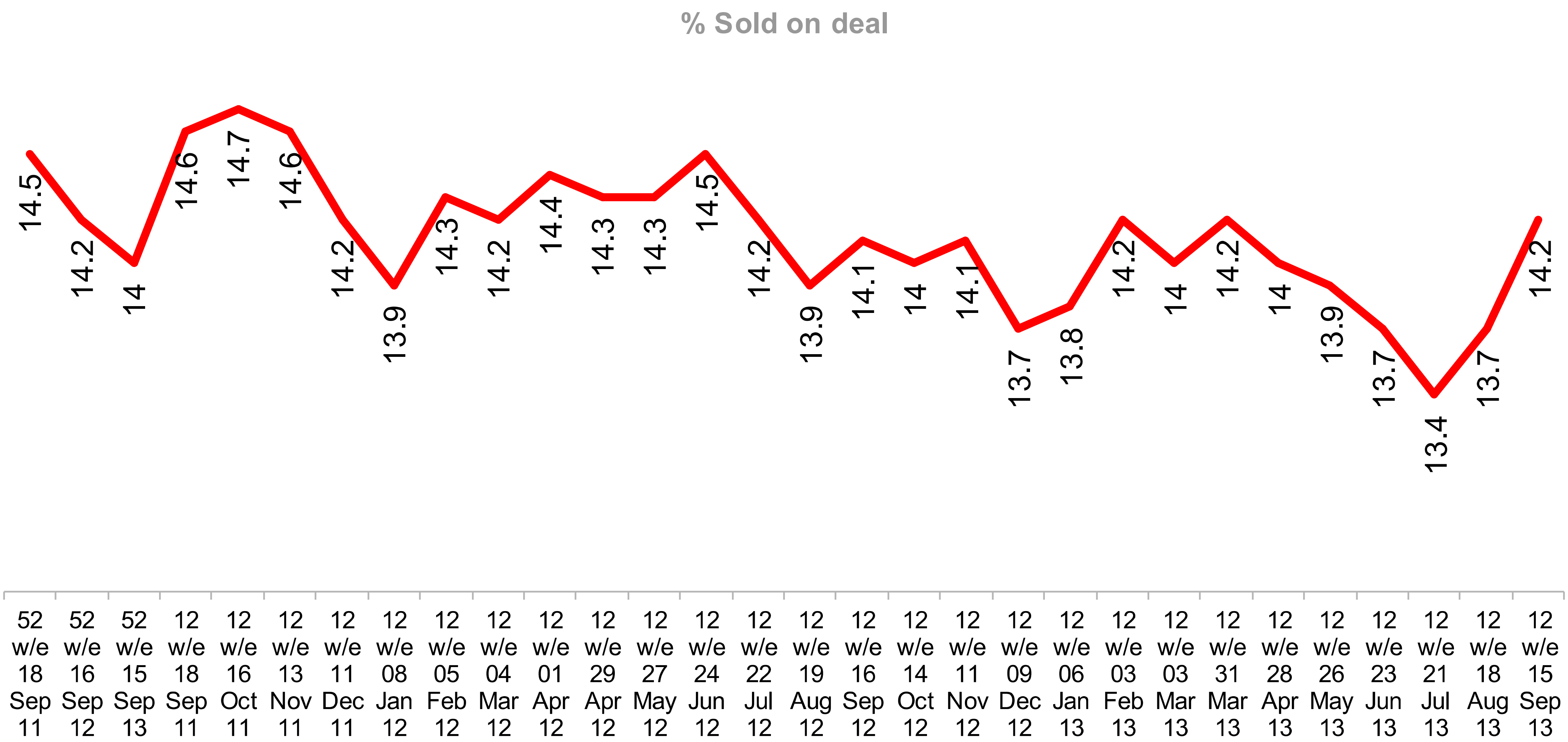
TOTAL GROCERY – % PACKS SOLD ON DEAL – 52W/E

Shoppers perceive the %packs sold on deal is consistent over time



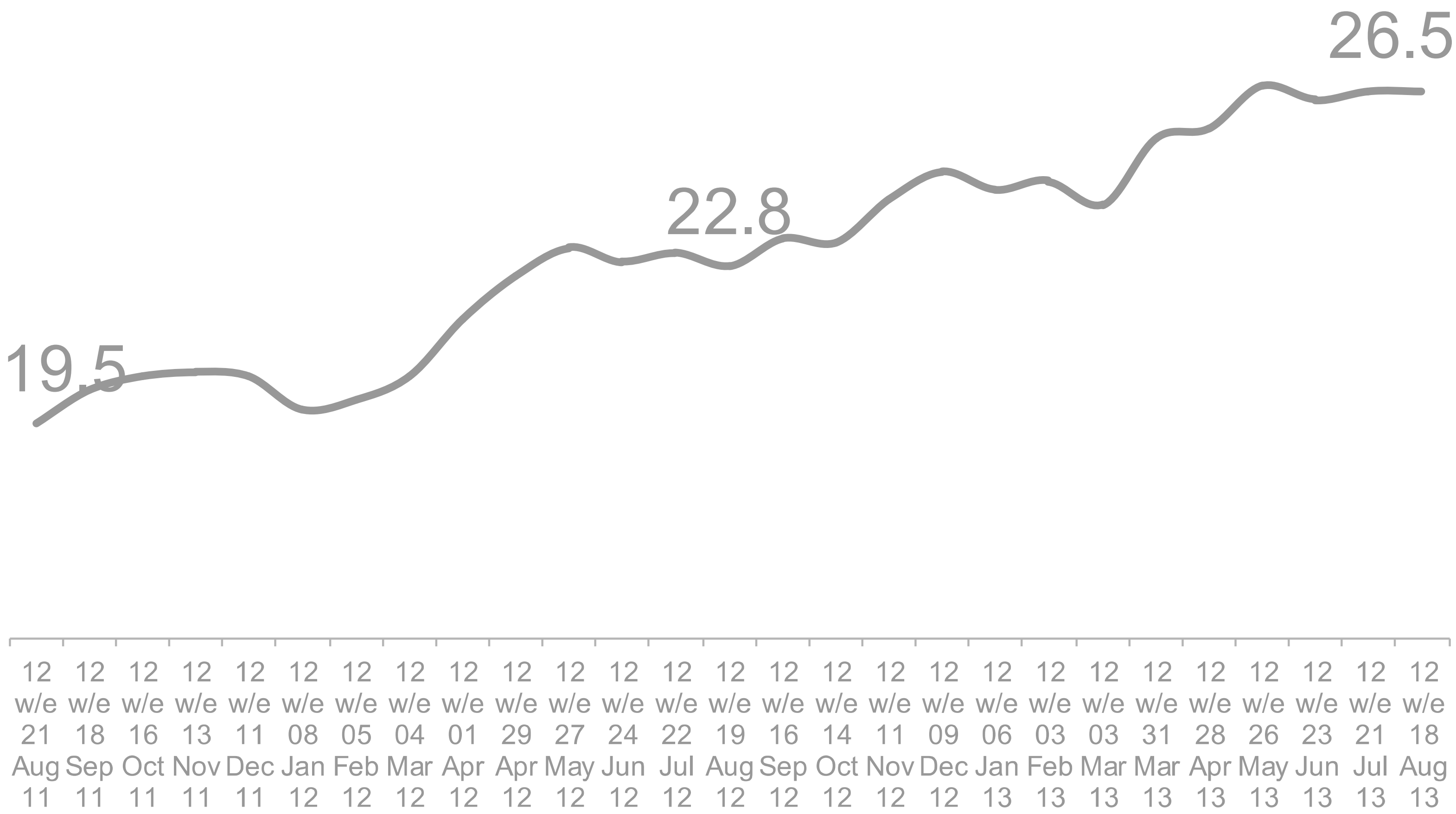
TOTAL GROCERCY - SOLD ON DEAL TRENDED 12W/E

Not much change in the proportion of sales on deal with more consistent promotional activity across retailers



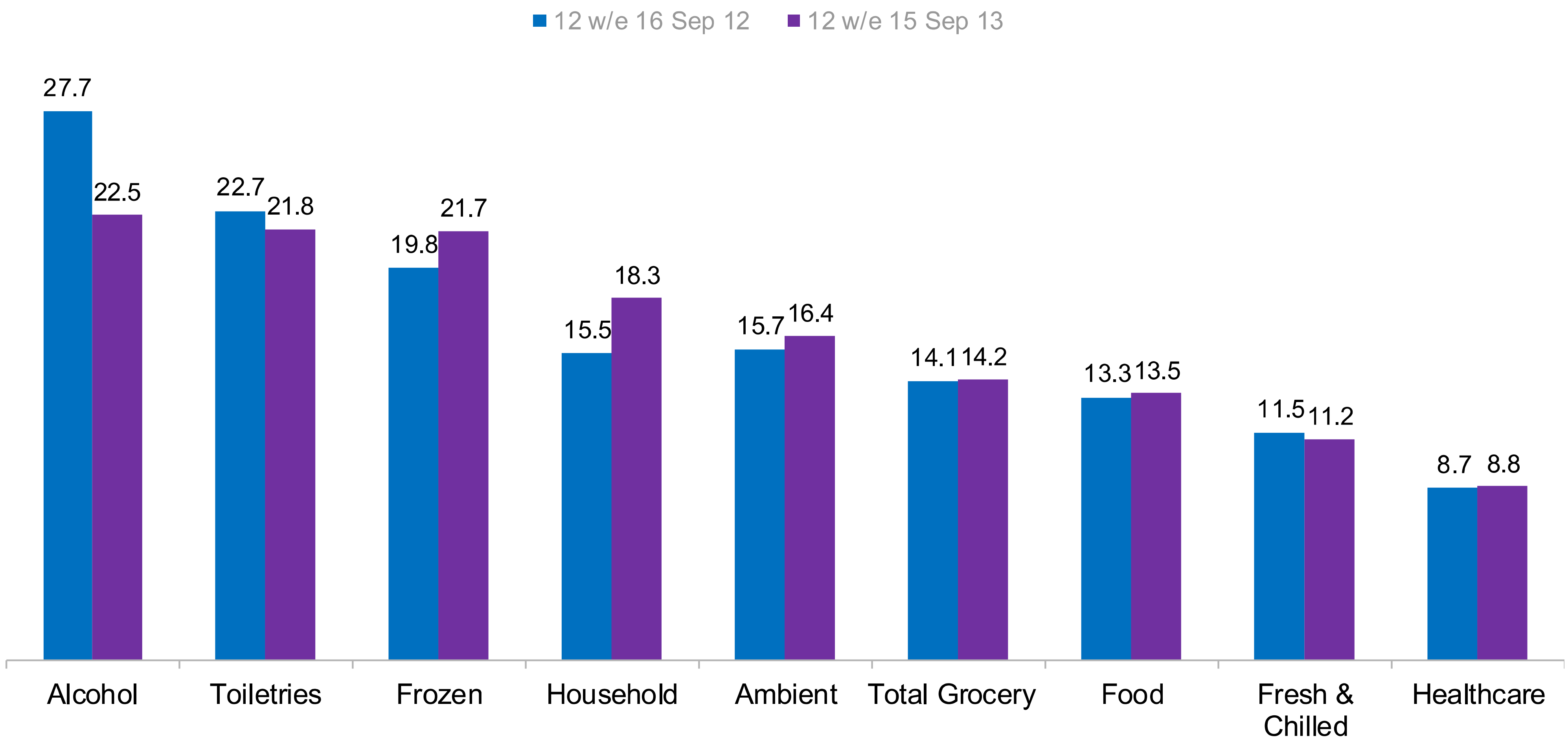
% of branded grocery spend accounted for by round € or 50c price points

Pricing clarity continues to cut through with shoppers

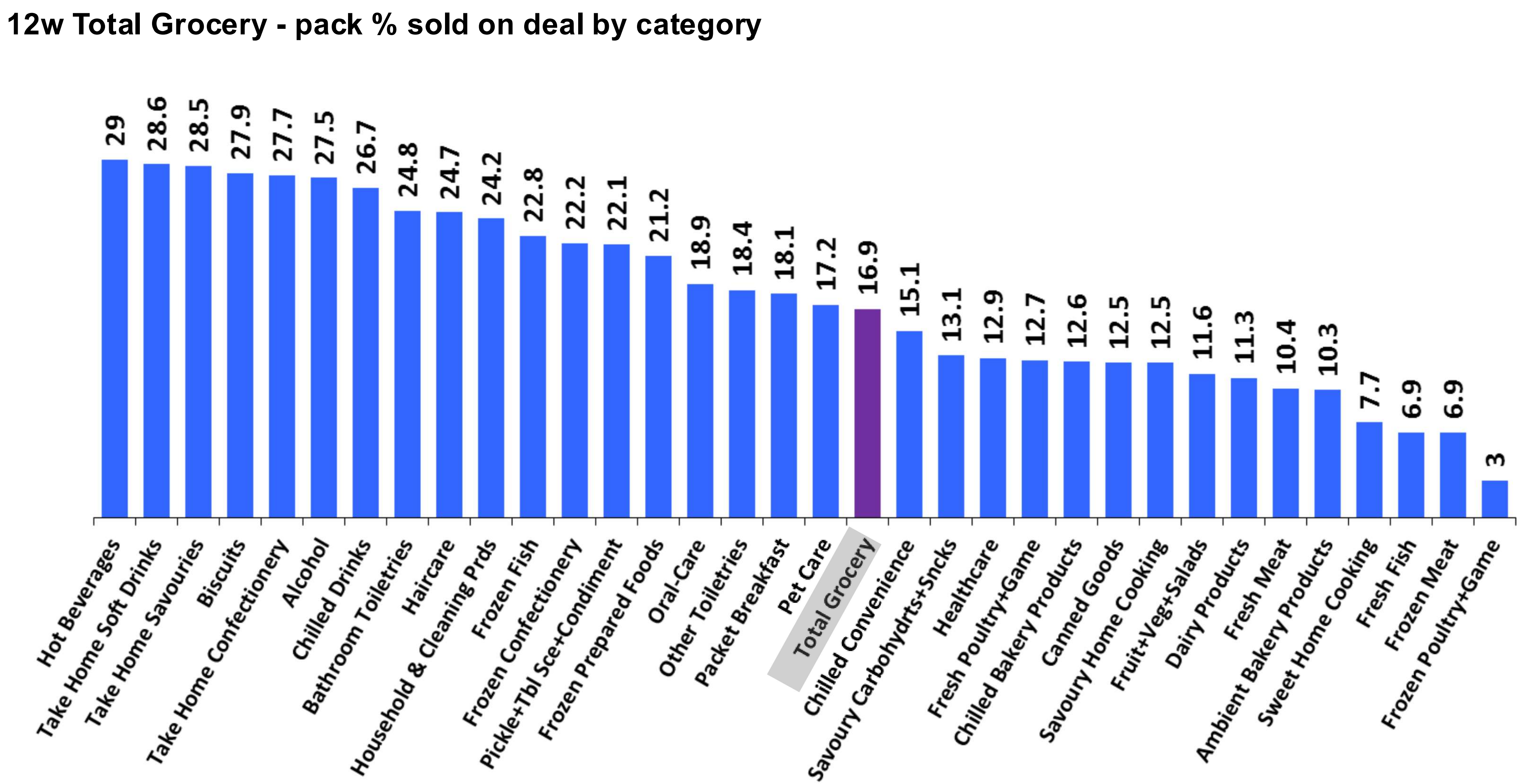


Total Grocery Sector Share of Promotion – % Packs

52we, Alcohol has a higher share of promotion than any other sector but drops compared to the same time last year. Promotion on Frozen increases to try and encourage shoppers to the sector.

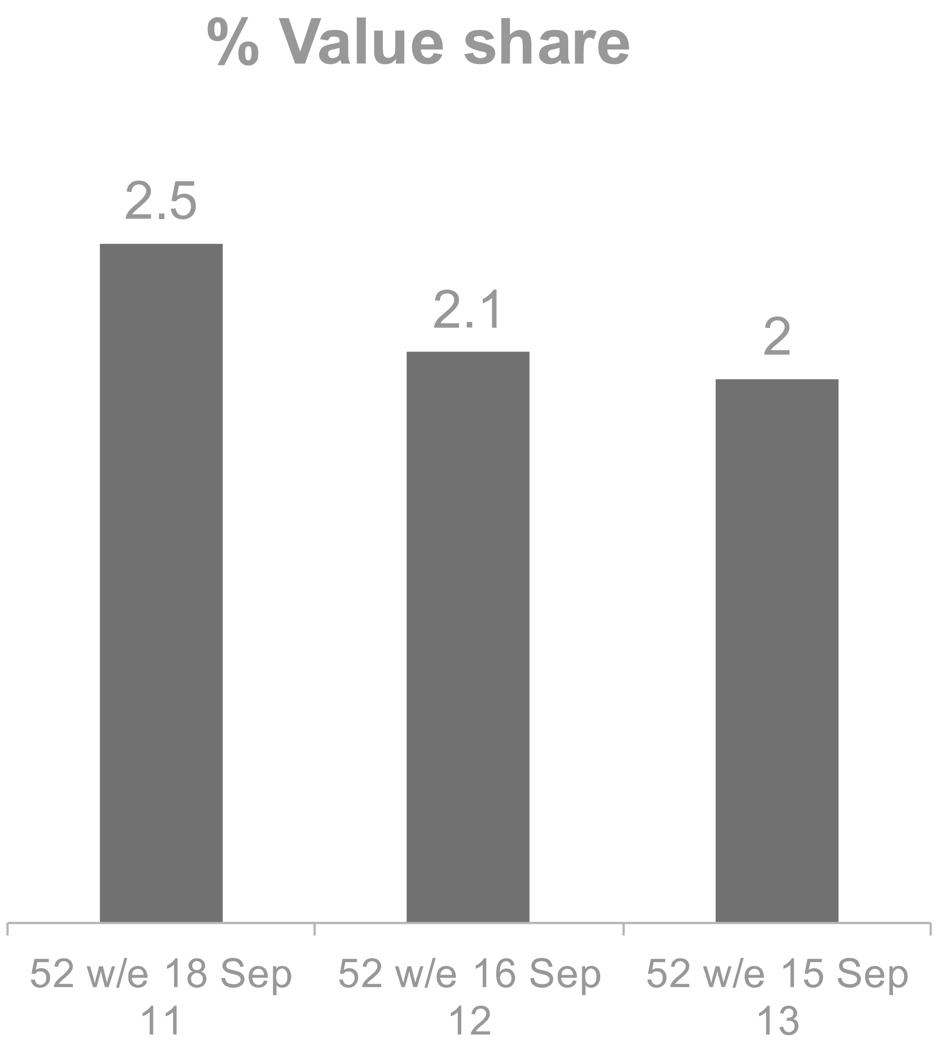


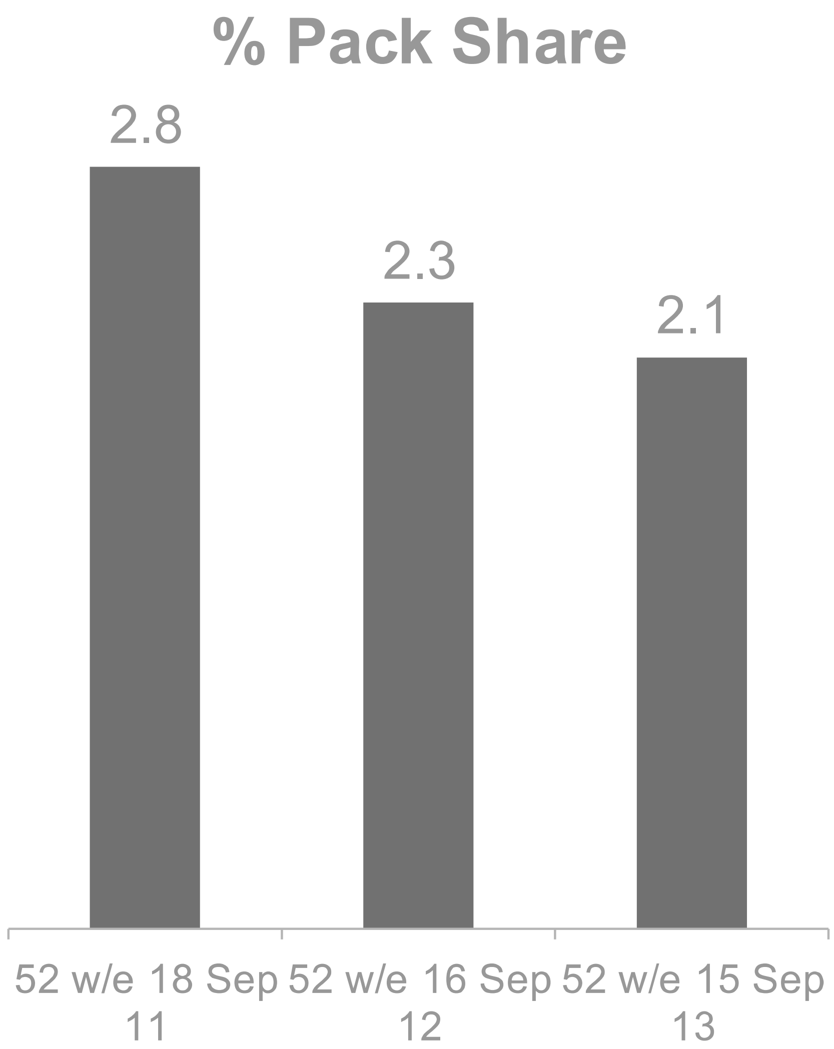
Hot Beverages have the highest proportion of packs sold on deal.



Total Cross Border – Share of ROI Grocery

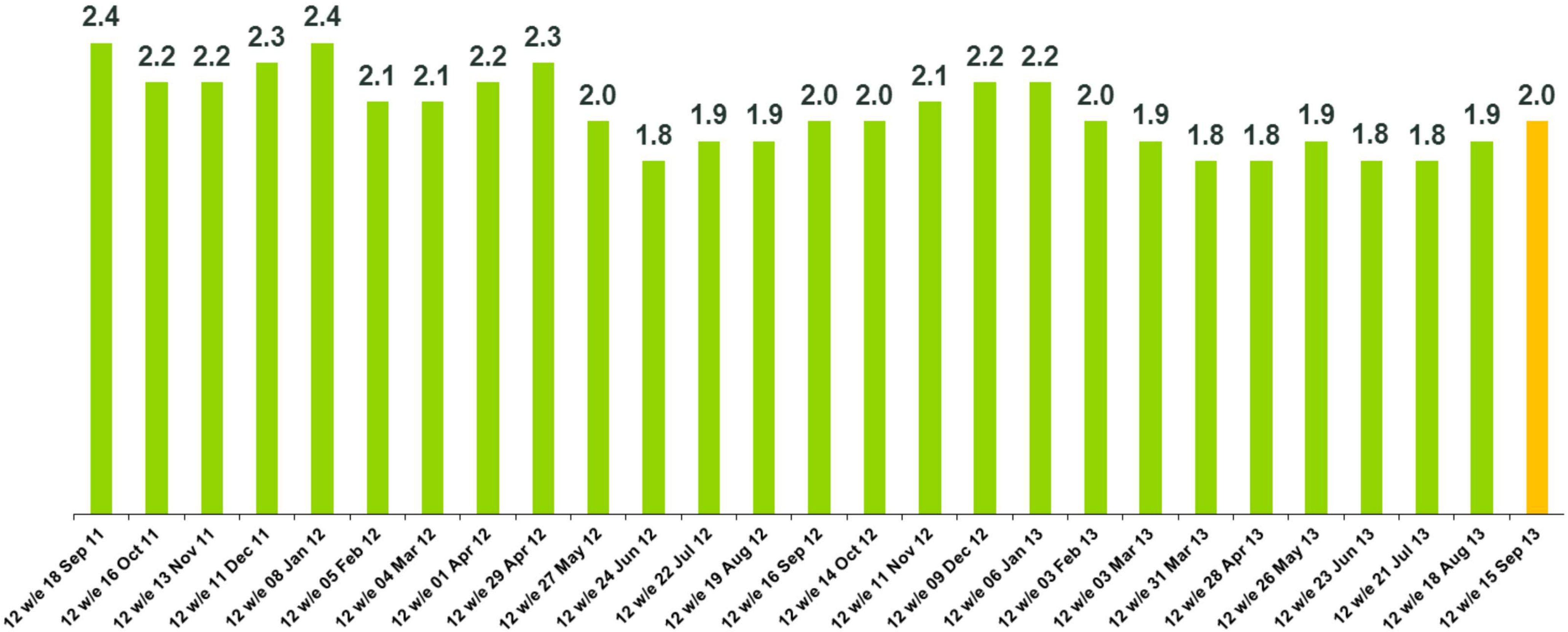
Cross Border Sales continue to decline now making up 2% of Sales (€176m)





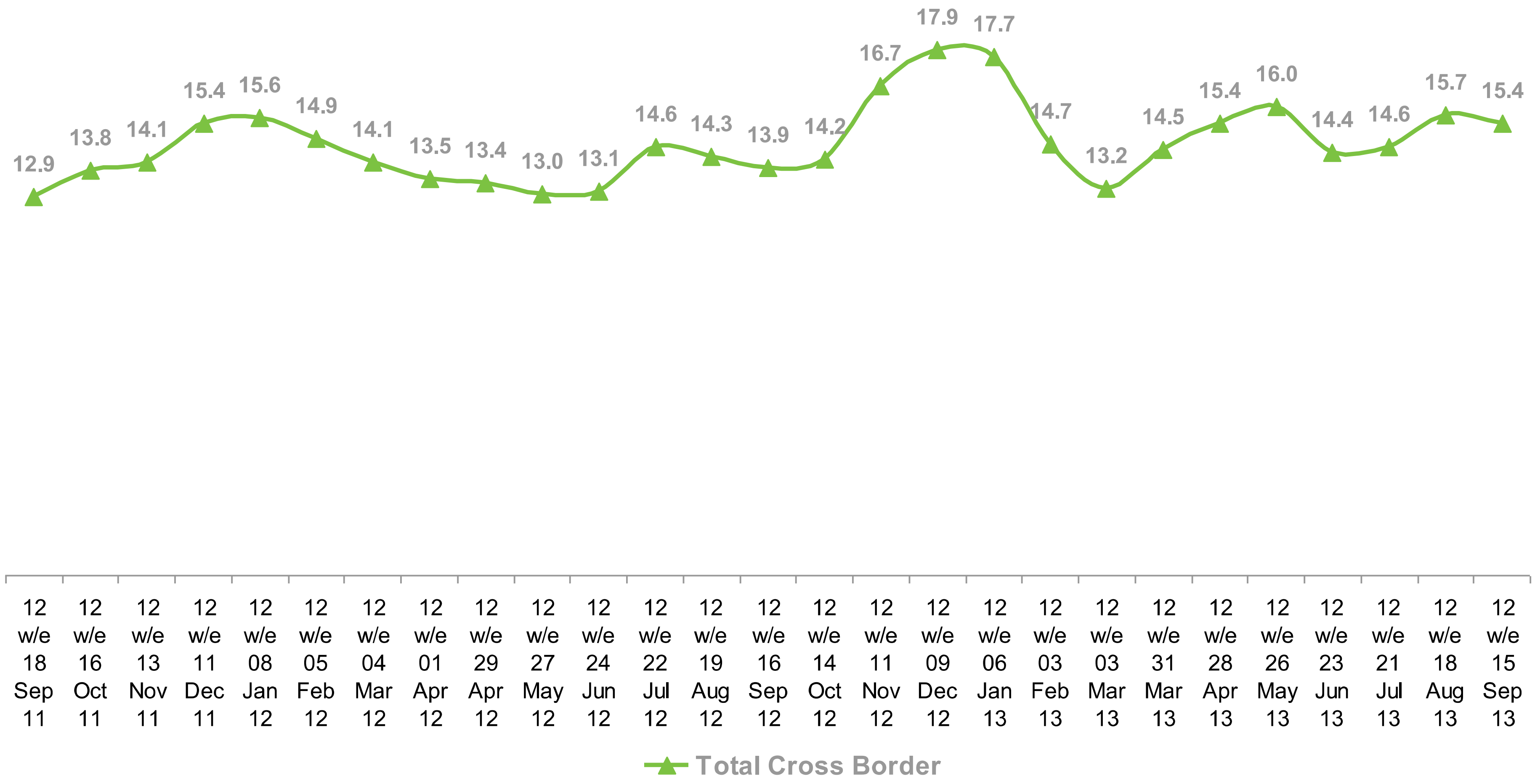
12w Total Grocery – Total Cross Border value% of ROI grocery

Cross border share of sales grown to **2%** in the latest period. 42% of this spend is from Connaught and Ulster



TOTAL CROSS BORDER - % PENETRATION

15% of ROI shoppers have shopped across the border in the last 12 weeks

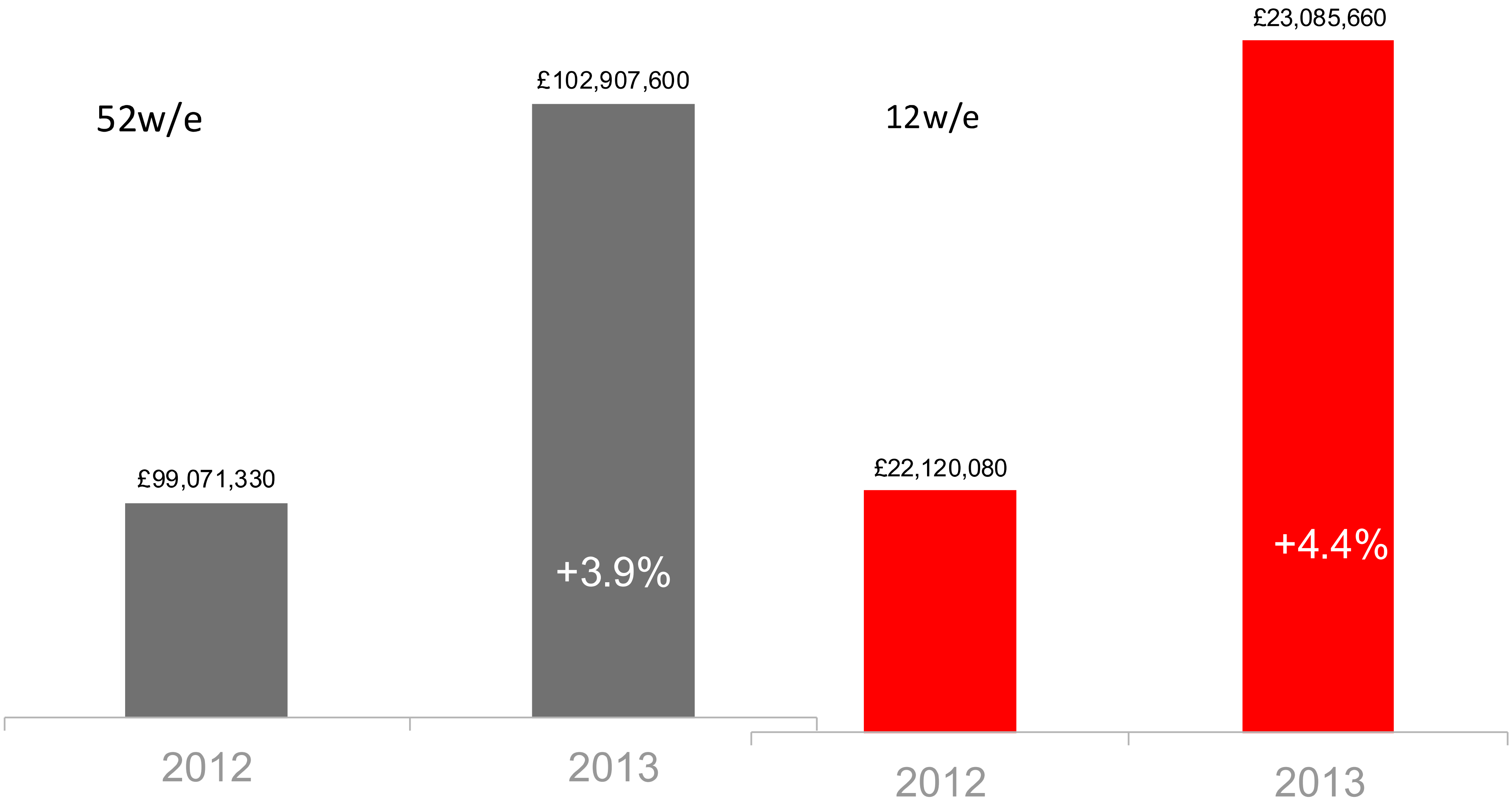


UK GROCERY


British Isles
SCOTLAND
Perth
Glasgow
NORTH SEA
DENMARK
COPENHAGEN
Bornholm
Belfast
DUBLIN
Liverpool
KINGDOM
IRELAND
WALES
Cardiff
Bristol
Cork
CELTIC SEA
Southampton
Plymouth
English Channel
Hamburg
NETHERLANDS
AMSTERDAM
BERLIN
Leipzig
Dusseldorf
GERMANY
Frankfurt
BRUSSELS
Lille
PARIS
Strasbourg
Stuttgart
Danube
Munich
VIENNA
AUSTRIA
Rennes
Brest
FRANCE
Nantes
Lyon
Milan
ITALY
Bay of Biscay
Bordeaux
SLOVENIA

TOTAL UK GROCERY - VALUE SALES

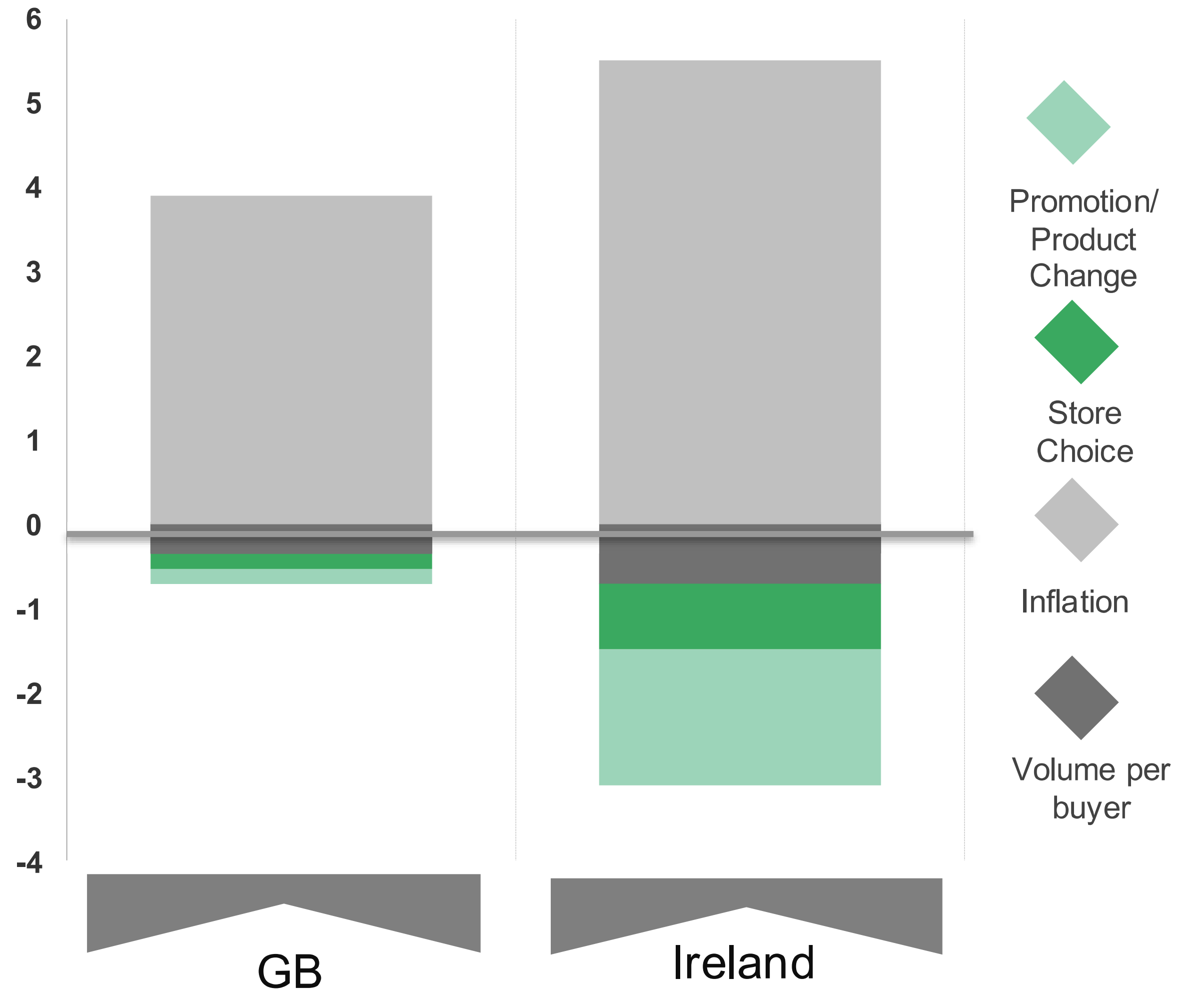
UK market showing growth year on year as inflation plays a part



UK MARKET GROWTH AND INFLATION

Inflation in the UK slightly behind Ireland but market growth is stronger

CONSUMER TRENDS
Trading down product and store



+4%

"I am on a strict budget when I go shopping in the Republic of Ireland"

PRIVATE LABEL % MARKET SHARE

Private label has taken a slight dip in the UK