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Q1 2009

Consumer Index

United States of America

Welcome to the Q1 2009 edition of Consumer Index. We hope you find it interesting. Please do not hesitate to contact us if you have any questions or comments.

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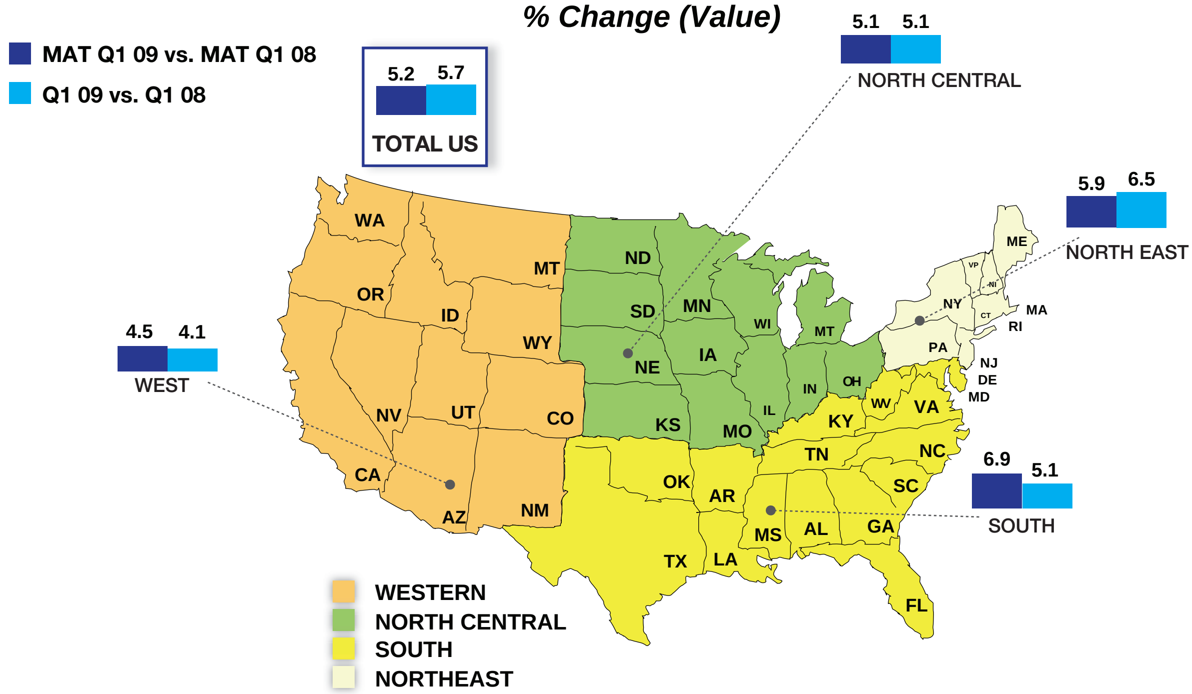
GfK tns

United States of America Q1 2009

Total FMCG Trends

% Change (Value)



Categories Overview

• As consumers stepped up at-home meal preparation activity, food and beverage categories are benefiting from this economically driven ritual change. Sales for Traditional Milk, Pizza/Pizza products, Frozen Fish, Meat, Bottled Water and Alcohol were buoyed.

• Product innovation and marketing opportunities, aimed at driving purchase behaviour, held the key to success in recessionary environment. While the Alcohol category was fuelled by new trends such as beer-food pairing, wine by the glass, fragrance and flavoured spirits, Home Care saw retro-packaging and stylish kits for gift giving, such as Simple Green's Winter Naturals kit and Mrs. Meyer's kits. "Specialty Pizzas" were the answer to special dietary concerns, such as food allergies, religion and vegetarianism.

• Despite adverse economic conditions, "green" and environmentally friendly shopping is penetrating new consumer segments; these new adopters are key drivers of industry growth. Products benefitting from this trend are Baby Food, Tea, Meat, Seafood as well as less chemical Air Fresheners.

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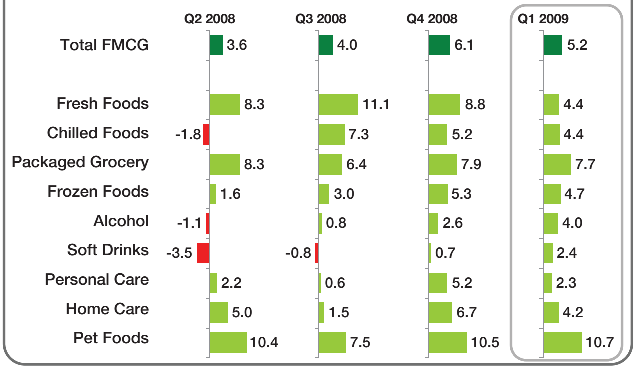
Q1 2009 Key Indicators

Year - on - Year % Change

GDP (*Value*)	-0.5%
Rate of Food Inflation (*Value*)	+4.9%
Rate of Unemployment	+65.3%
Frequency of FMCG Purchase	+2.7%
Average FMCG Basket Size (*Value*)	+1.3%

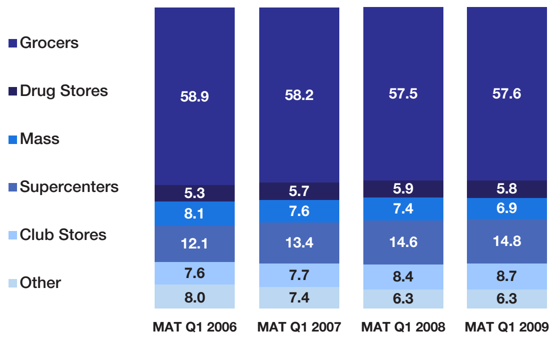
USA - Category Trade

Year-on-Year % Change (Value)



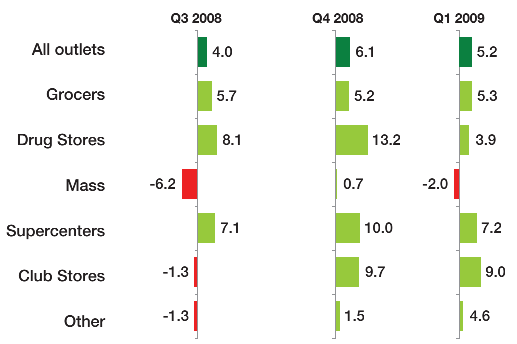
USA - Trade Channels

FMCG Value Share



USA - Trade Channels

Year-on-Year % Change (Value)



- Grocers hold around 58% share of the total FMCG market in U.S. as they are well positioned to maintain the lion's share of the market due to space allowances and aggressive cost promotions.

- Moderate gas prices and shifting shopping strategies prompted Q1 2009 sales to increase across all channels except Mass versus prior year.

- Supercenters experienced share gains (+7%) among diverse segments as consumers seek affordable options.

- Drug channel retailers, as a destination location for healthcare products, have shown growth of +4% due to greater attention through the channel to food sales and the stocking of the most popular, bestselling brands.

- Private Label continues to increase its share, reaching 19.4% of Total FMCG, remaining a key issue for retailers, resulting in high levels of innovation and stepped-up marketing efforts. Successful Private Label categories were Chilled Yoghurt, Organic Milk as well as Frozen Foods.

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Source & Definitions

METHODOLOGY:

• A consumer panel is a permanent, syndicated and representative sample of consumers, who provide ongoing details of the fast moving consumer goods they purchase. Using the scanning methodology, each panel member records the details of every item they purchase.

• Sample sizes: 100,000 Households

CATEGORIES UNIVERSE:

FMCG: Fast Moving Consumer Goods (includes foods, personal care and home care; excludes clothes, white goods etc...)

Categories

• **Fresh Foods:** fresh eggs, fresh bread & rolls *random weight fresh foods are excluded (fresh fish, meat, fruit, or vegetables)*
• **Chilled Foods:** chilled deli products, chilled dairy products, chilled bakery products
• **Packaged Grocery:** bread, biscuits, canned goods, hot beverages, packet breakfast, pickles, sauces, condiments, savoury carbohydrates and snacks, home cooking ingredients, take home confectionery and savouries
• **Soft Drinks:** carbonated soft drinks, chilled drinks, mineral water and juices of all types (refrigerated, bottled, canned, frozen)
• **Home Care:** softeners, detergents and rinse conditioners
• **Personal Care:** bathroom toiletries, hair care, healthcare, oral care, other toiletries
• **Pet Food:** cat food and dog food

TRADE CHANNELS:

• **Grocers:** This government-defined term encompasses any retail store selling food items including not only supermarkets but also convenience stores, supermarkets and specialty stores such as delis but excluding wholesale club
• **Drug:** Those stores that carry Health & Beauty items in addition to prescription medicines, along with larger units that sell consumer packaged goods, limited lines of food, paper, and seasonal items
• **Mass:** Defined as discount stores, general merchandise stores, and variety stores or "dollar" stores
• **Supercenters:** A retail unit with a full line supermarket and a full line discount merchandiser under one roof; the store may have separate or combined checkouts
• **Clubs:** These membership club stores are characterized by high volume on a restricted line of popular merchandise into a no-frills environment. The average club stocks 4,000 SKU's, 40% which are grocery items

KEY COUNTRY FACTS:

Country	Individual Population (in 000's)	Number Of Households (in 000's)	GDP per Capita (2007 est.)
USA	**301.621**	**114.996**	**46.000**
North Central	66.389	26.100	
Northeast	54.681	21.138	
South	110.455	43.017	
West	70.097	24.741	

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