

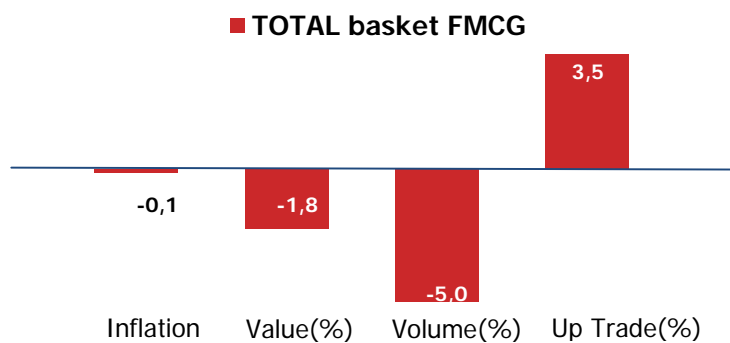


Romania

Homing – A Shrinking of the Last Fortress in Romania

An overview of 2009 and an analysis of Q1 2010 vs. Q1 2009

Starting with 2009, Romanian consumers moved a lot of their activities in home and along with them, part of their FMCG consumption. For the first time, occasional buyers left some categories, so lower penetration rates were registered. The remaining ones oriented towards Last year, producers used aggressive promotion and therefore consumers preferred branded products more, as a way to minimize risk, which led to an up-trade phenomenon also.



During the first quarter of 2010, we assist at a shrinking of in-home consumption. Even more occasional consumers renounced at a part of their purchases. Purchased volumes decrease for the first time as the frequency of buying is lowering. Among the monitored categories, this is the first spending decline registered since 2001. Consumption is more tempered, as many categories lost buyers, especially those from Personal Care and also Home Care baskets.

On top of that, shopping becomes more functional for Romanian consumers, who do not see this activity as leisure anymore: they go shopping alone, less during weekend time and even more during mornings, comparing with the previous year's first quarter.

Looking closer at consumer segments, we see that the middle class was the most affected. In the same time, Low income households already have a small consumption level comparing with High income consumers, and therefore they preserved their FMCG basket purchases.

Starting with last year, Supermarkets were the most affected outlets, as consumers visit Hypermarkets and Discounters for their FMCG purchases. For their larger basket shopping, Small Grocery shops and Discounters are preferred in the first quarter of 2010. Private Labels are slightly growing with the same number of buyers, reaching less than 4,5% of the FMCG Basket's value.



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