Q3 2009

Consumer Index

United States of America

Welcome to the Q3 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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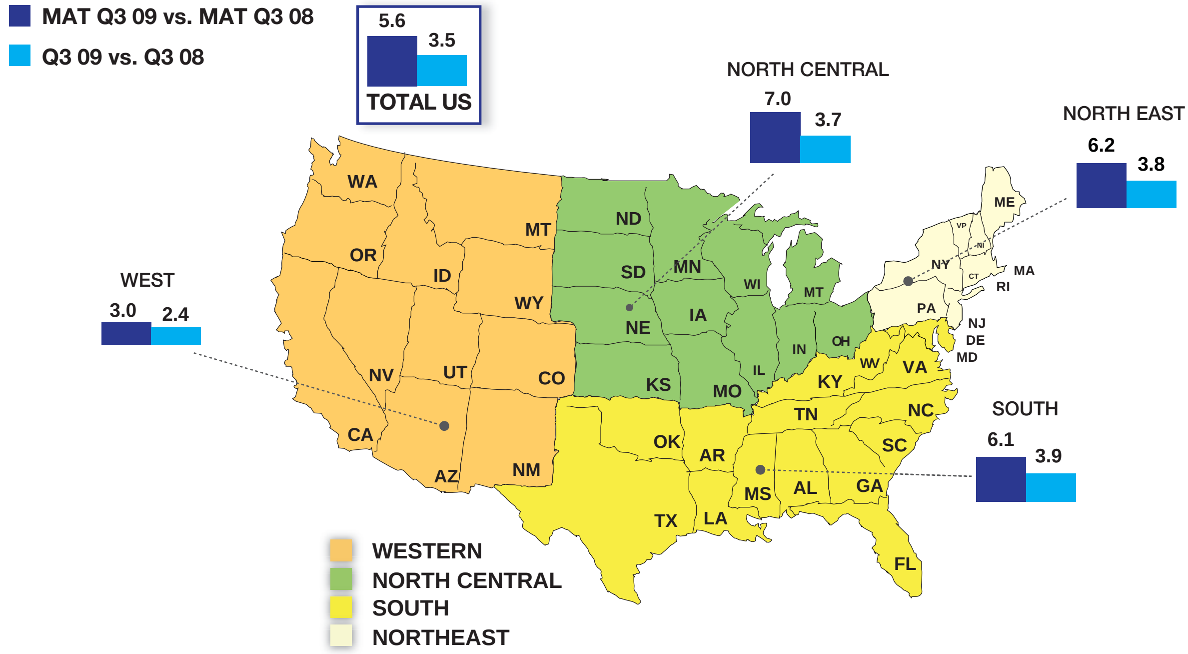
United States of America Q3 2009

Total FMCG Trends

% Change (Value)



Categories Overview

•The recession is driving some changes in consumer behaviour. Indeed, in virtually every category of consumer packaged goods, evidence of lifestyle change and adaptive behaviour can be observed. The category of spirits is no exception. Not only has the amount of alcohol being consumed on an annual basis changed considerably during the recession, it is also evident that consumers are increasingly consuming at home rather than in bars and restaurants. One key driver of this elevated level of consumption is the fact that many young adults are still experimenting with alcohol.

•The healthier eating trend—spurred by Americans fed up with rising rates of obesity and diabetes—has helped boost fresh fruit and vegetables consumption.

•Even the Personal Care has not been immune to fallout from the recessionary economy. Continuing concern over the recession is causing consumers to seek out ways in which they can “trade down” to less expensive goods and services. What this means for Personal Care is that instead of purchasing more expensive brands, consumers are turning to value-sized or multi-action products.

•Despite the recession, sales of pet food and supplies have held strong, as most pet owners remain committed to feeding and caring for their pets. Increase in Pet population is also the most fundamental driver of pet food sales.

•The challenging economy is forcing consumers to buy Private Label to stretch their shopping budgets. Packing of the Private Label products has been improved from generic black - and - white labels to colourful packages imparting a sense of quality and prestige. Private Label share of spending varies across retail channels and remains highest in the grocery channel. Private label's strongest growth performance tends to be such categories as Butter, Ice Cream/Sherbet, Frozen Meat, Natural Cheese, Tomato products, Fat for cooking and Oil to name a few.

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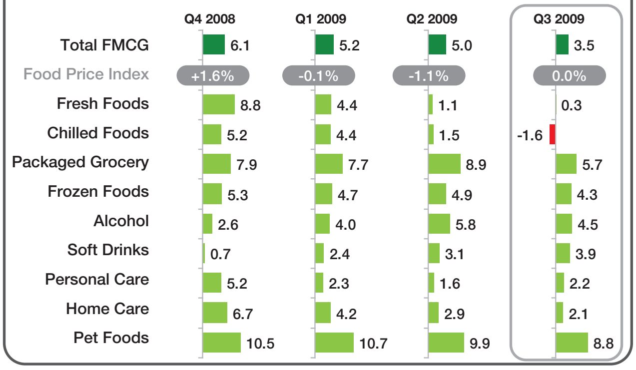
Q3 2009 Key Indicators

Year - on - Year % Change

GDP (*Value*)	-1.7%
Rate of Food Inflation (*Value*)	0.0%
Rate of Unemployment	+9.6%
Frequency of FMCG Purchase	+5.4%
Average FMCG Basket Size (*Value*)	-2.8%

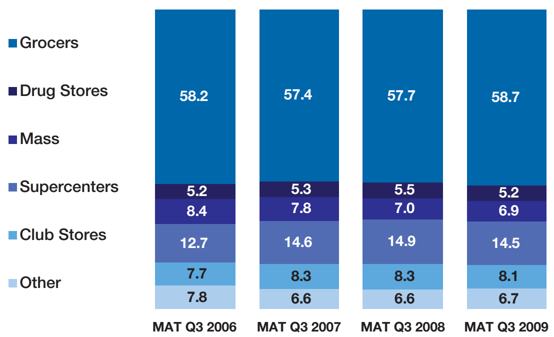
USA - Category Trade

Year-on-Year % Change (Value)



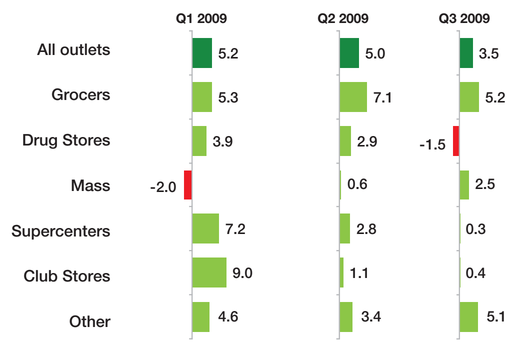
USA - Trade Channels

FMCG Value Share



USA - Trade Channels

Year-on-Year % Change (Value)



- Grocery holds around 58.7% share of the total FMCG market in U.S. as they provide a broad range of general food and non-food merchandise including groceries and other food products, like meals, snack, alcohol, tobacco, health, cleaning and paper merchandise.

- Mass channel retailers have shown growth of +2.5%. Due to the continual increase in gas prices the Mass merchandisers are leveraging their one-stop shopping convenience, low pricing and private label brands to appeal to time-starved consumers in difficult economic times.

- Supercenter channel retailers have shown growth of +0.3%. These were driven by better customer service and competitive prices, which offset obstacles such as higher energy costs and food inflation.

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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 size: 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 store:** 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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