Potato Market Change – Retail Influences

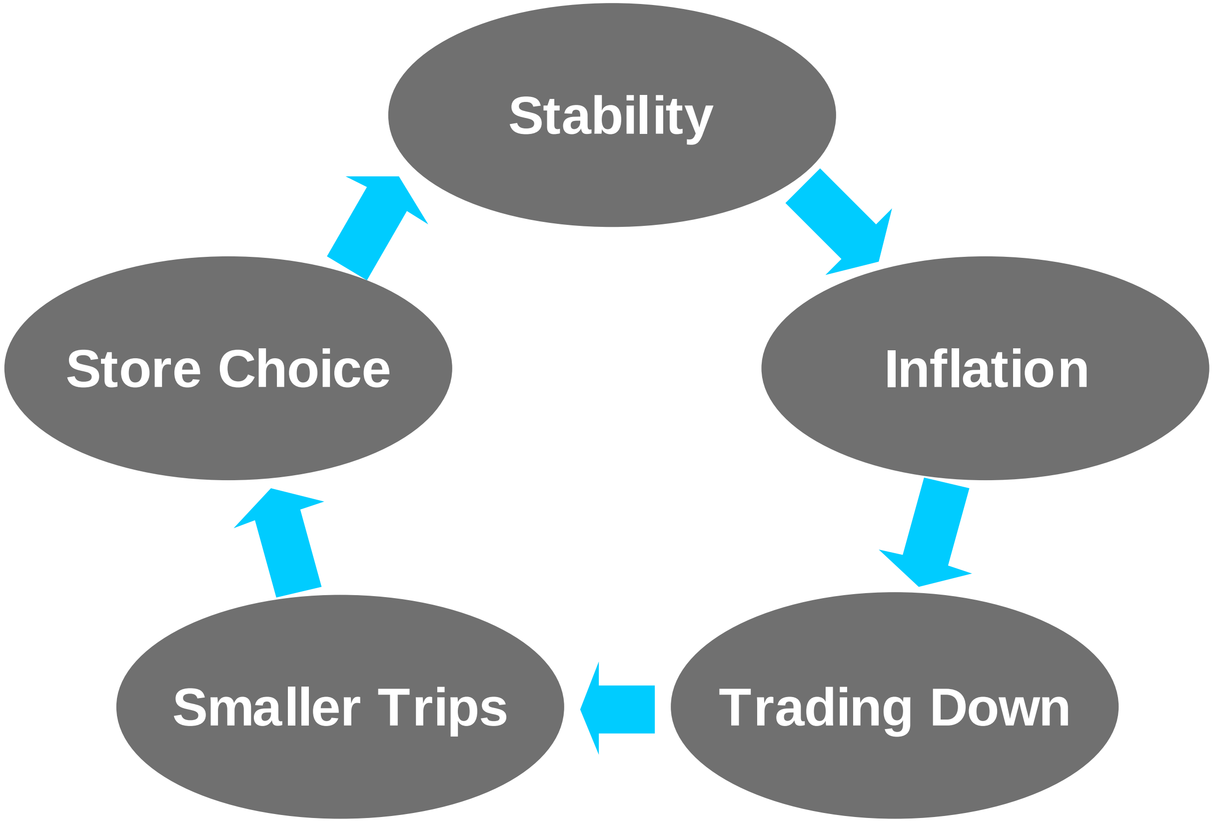
David Berry – Commercial Director, Kantar Worldpanel

KANTAR WORLDPANEL High definition inspiration

Agenda

1. The grocery landscape
2. Potato category importance
3. Potato category performance
4. Consumer purchasing trends

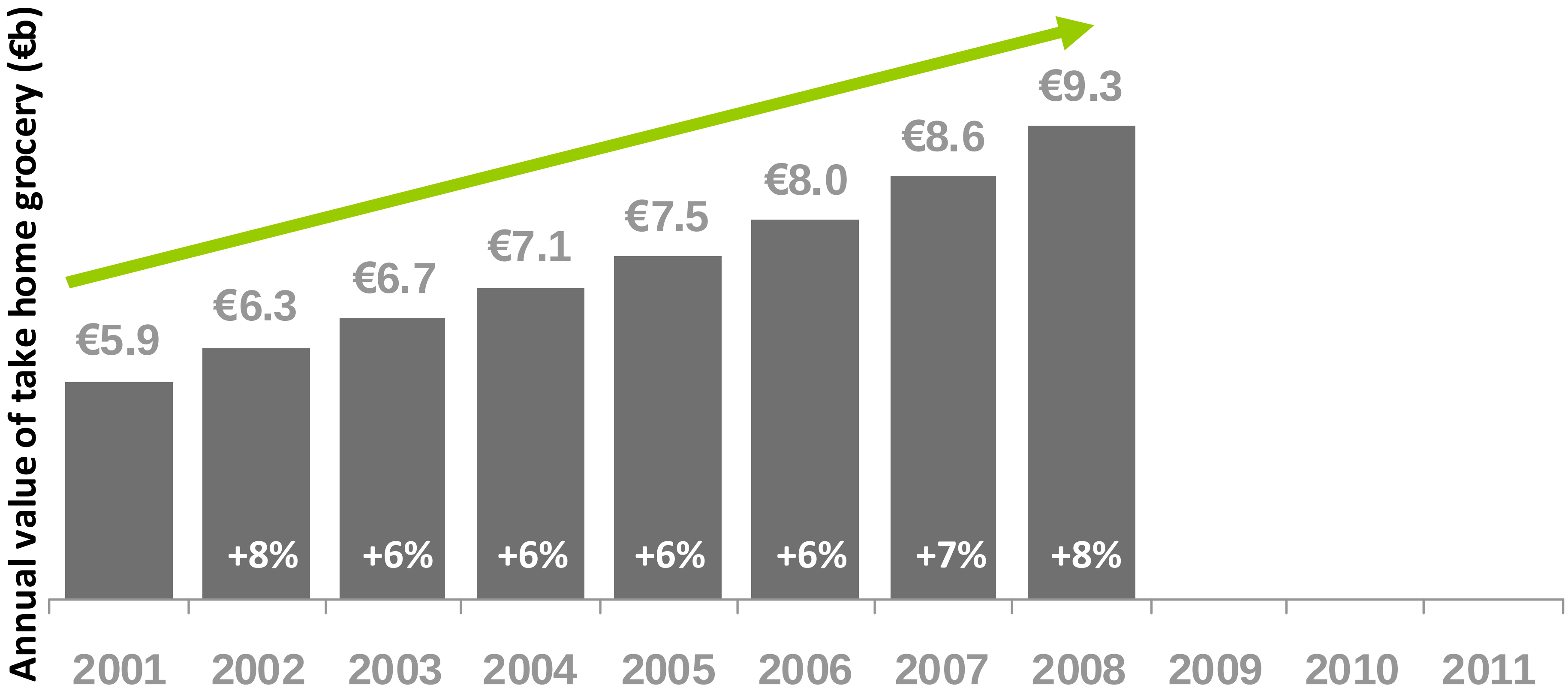
Key themes in the grocery marketplace



Stability

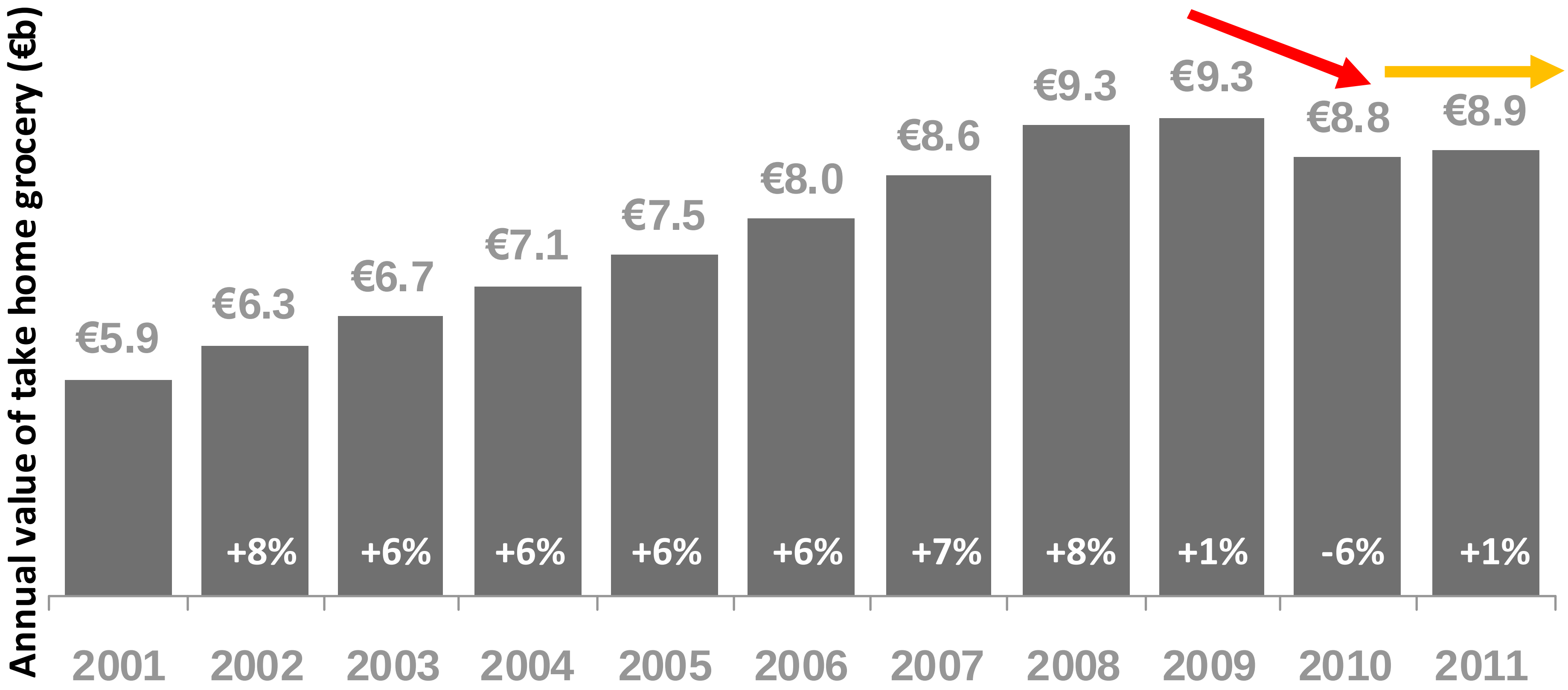
Take Home Grocery Market Value

2001 to 2008 saw average 7% growth and overall 58%



Source: Kantar Worldpanel, Dec 2011

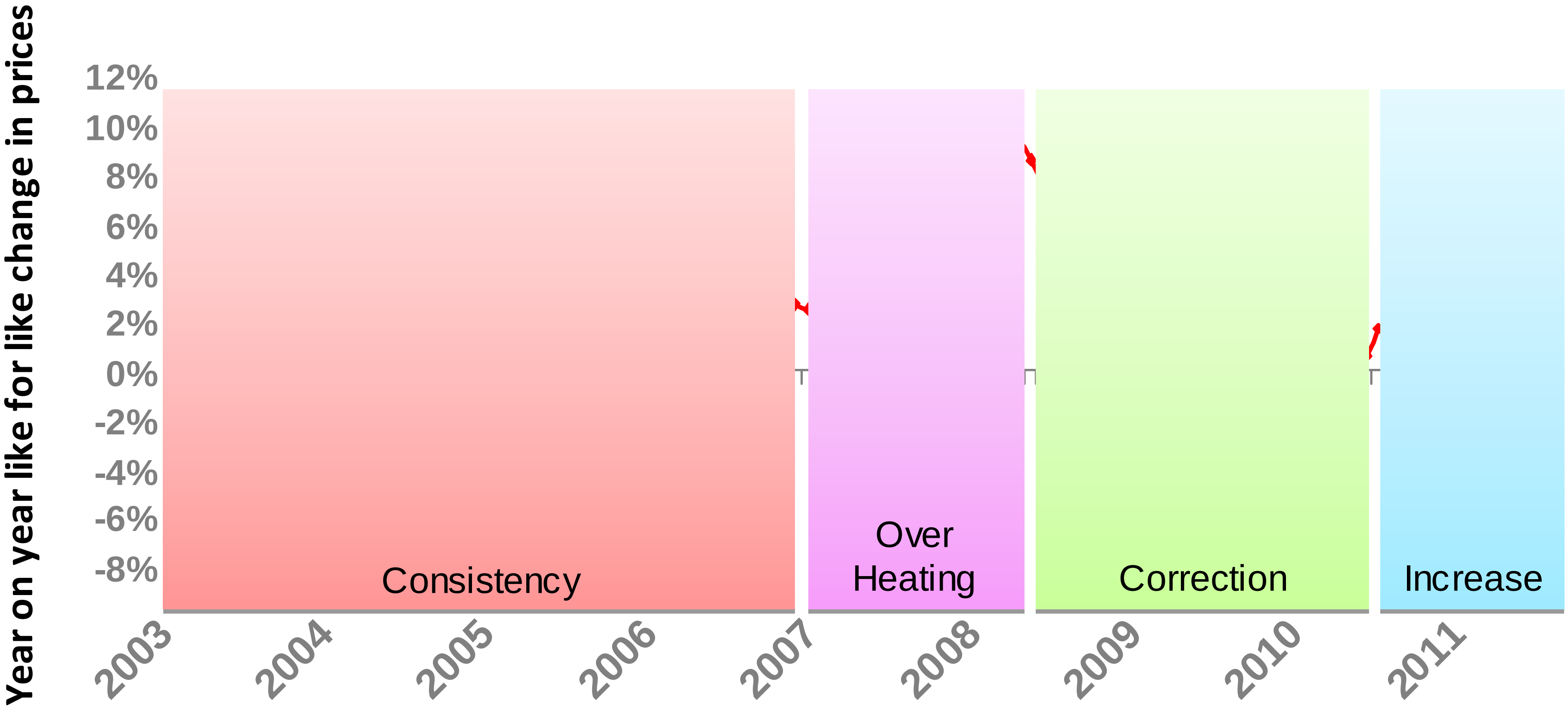
The market declined in 2010 but has now stabilised



Source: Kantar Worldpanel, Dec 2011

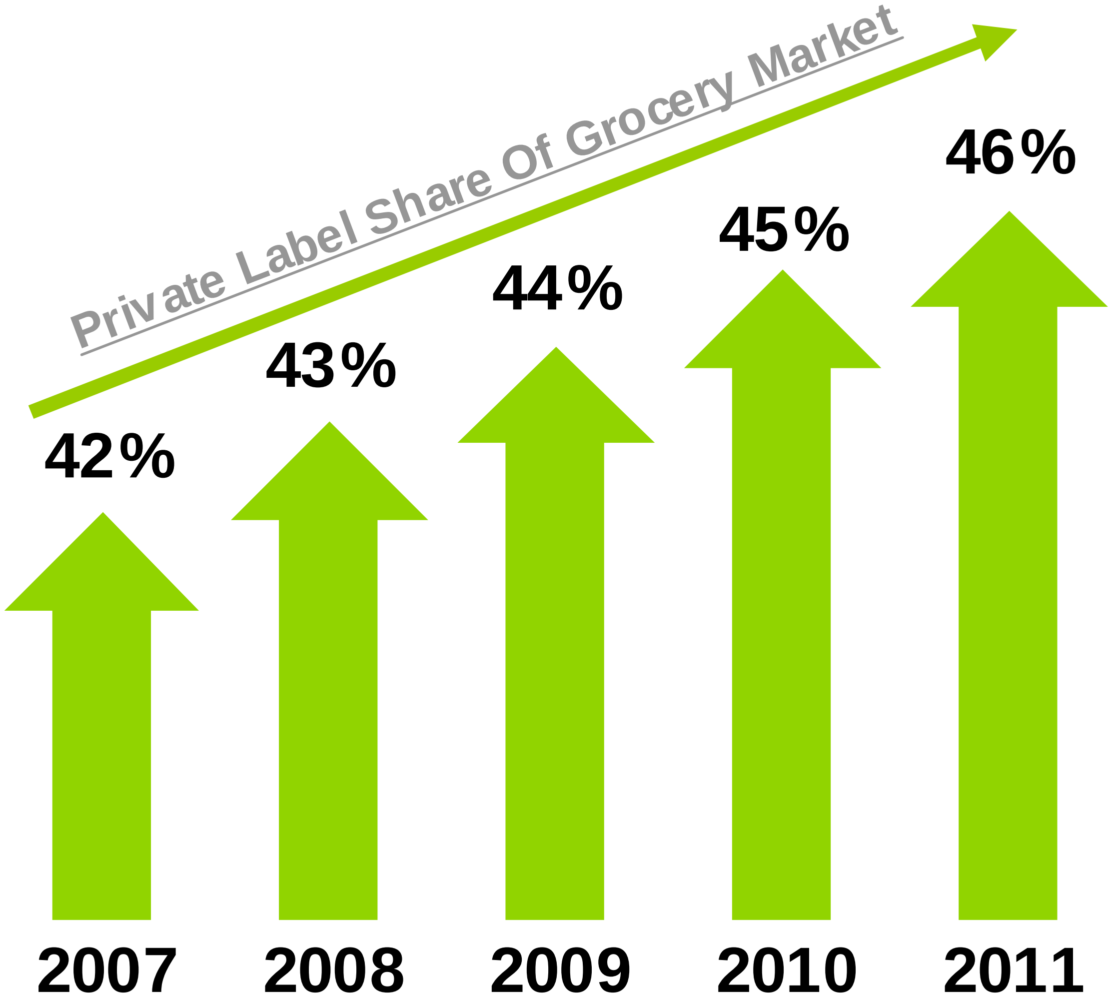
Inflation

Trended Total Grocery Price Inflation



Trading Down

Shoppers are increasingly turning to Private Label



Christmas 2011:

Branded Sales: -1%
Private Label: +6%


KELLOGG'S 500g
€4.15
Special
K
ALDI 500g
€1.79
Benefit

Smaller Shopping Trips

Christmas 2011 vs. 2010

- **2011 = 2 more trips**
- **2011 = 1 fewer item**
- **2011 = €26 trip size, €3 less**
- **2011 = €100+ occasions down 13%**

- **Clear attempt to manage how much is spent**

Source: Kantar Worldpanel, Dec 2011

Store Choice

Multiple retailers continue to capture more of the market

2011 87% Total Sales

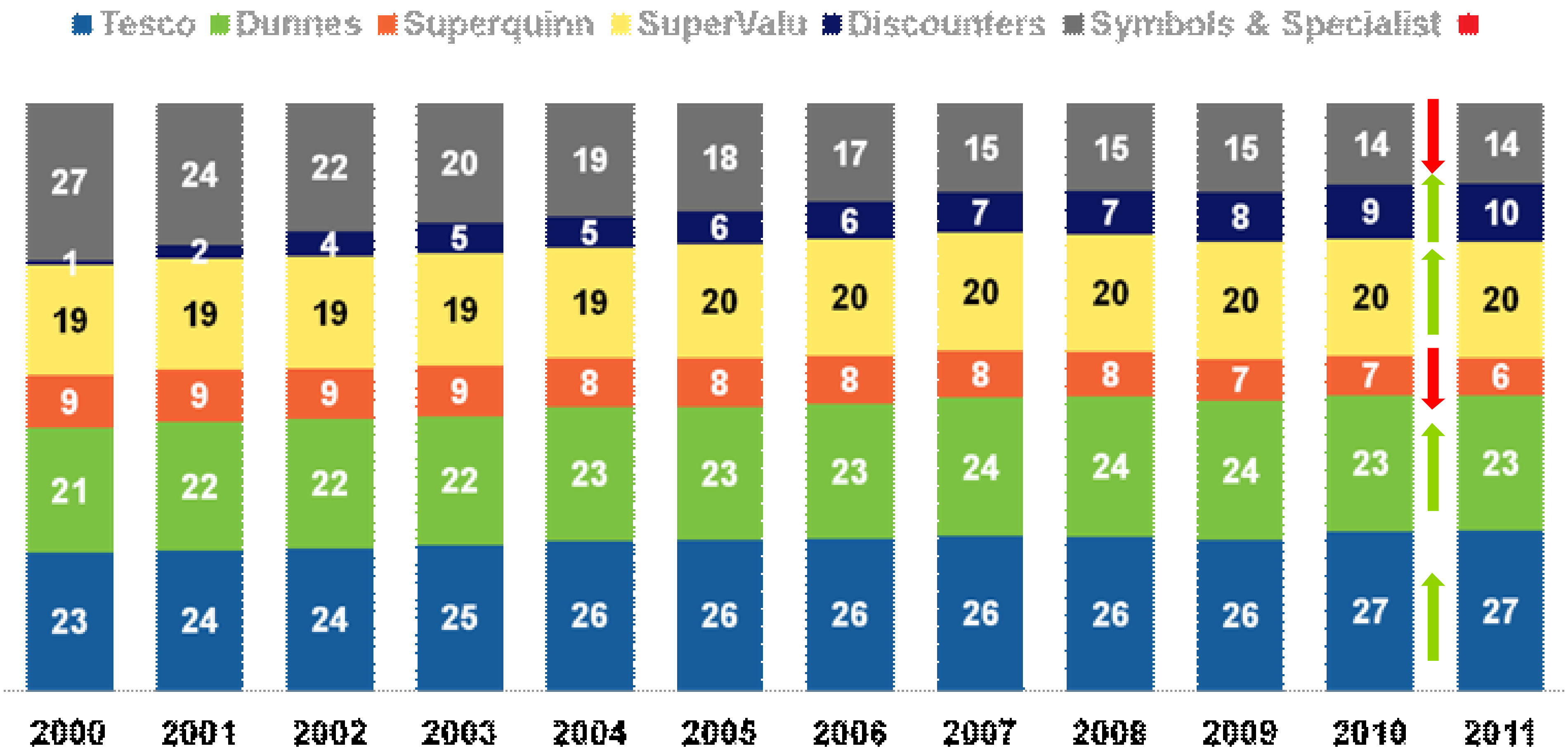
2006 83% Total Sales

2001 75% Total Sales

Source: Kantar Worldpanel, Dec 2011

Lidl now has more shoppers than SuperValu

Retailer performance over the past decade – Total Grocery Market



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Symbols & Specialist	27	24	22	20	19	18	17	15	15	15	14	14
Discounters	1	2	4	5	5	6	6	7	7	8	9	10
SuperValu	19	19	19	19	19	20	20	20	20	20	20	20
Superquinn	9	9	9	9	8	8	8	8	8	7	7	6
Dunnes	21	22	22	22	23	23	23	24	24	24	23	23
Tesco	23	24	24	25	26	26	26	26	26	26	27	27

Source: Kantar Worldpanel, Dec 2011

Store numbers play a big part in market share growth

ALDI / LIDL	63 new stores since 2007	209 stores
TESCO IRELAND	34 new	131 stores
SuperValu Real Food, Real People	12 new	196 stores
DUNNES STORES	6 new	100 stores
SUPERQUINN	1 new	24 stores

Source: Desk Research

Agenda

1. The grocery landscape
2. **Potato category importance**
3. Potato category performance
4. Consumer purchasing trends

100% shoppers

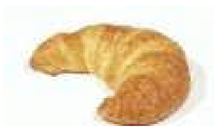
99%

98%

97%

97%

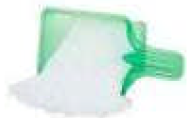
97%



96%

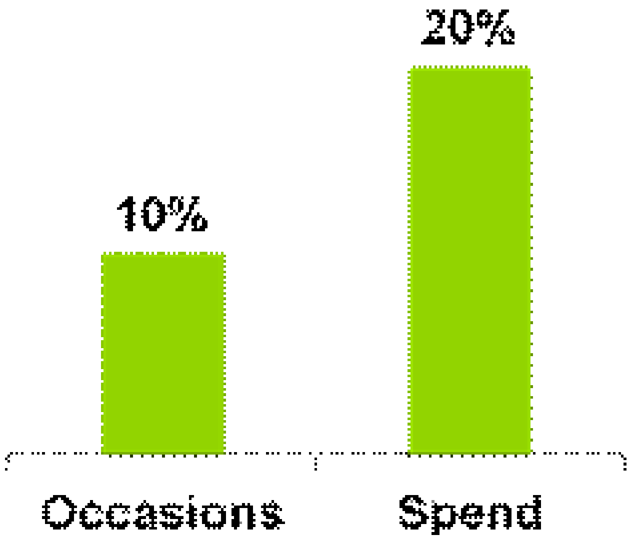
96%

From a shopper perspective we are the 8th most important category in store



10% of all shopping trips feature potatoes

These trips contribute 20% of all sales



€23

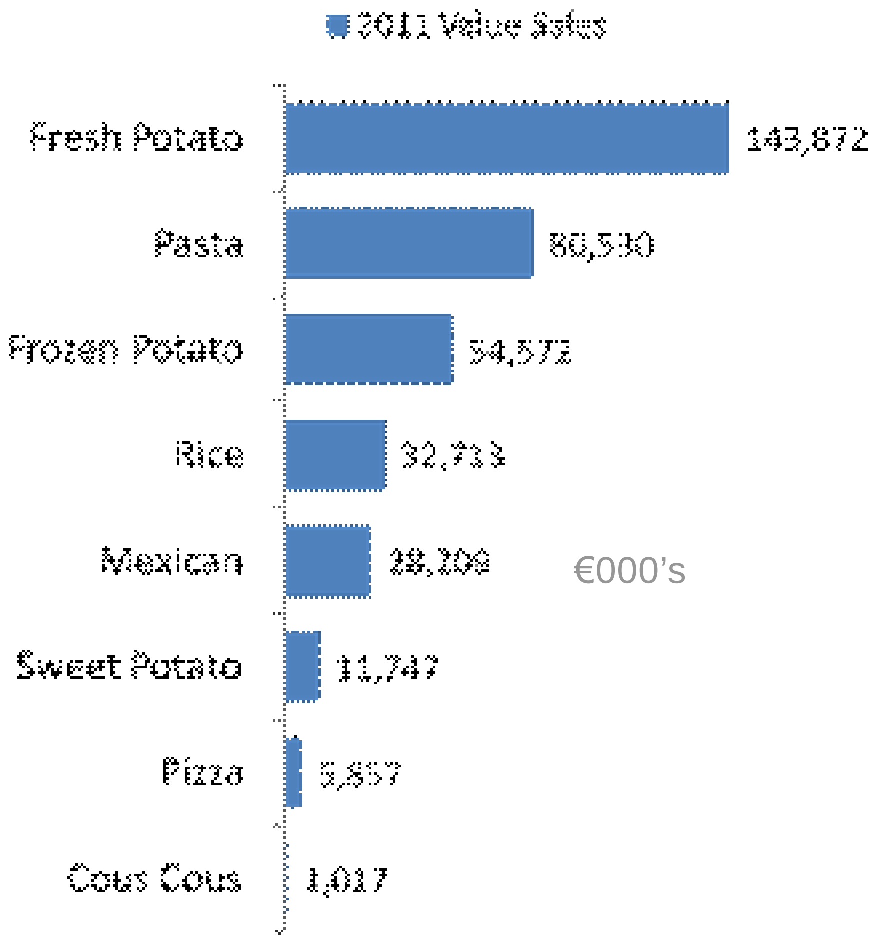
€44

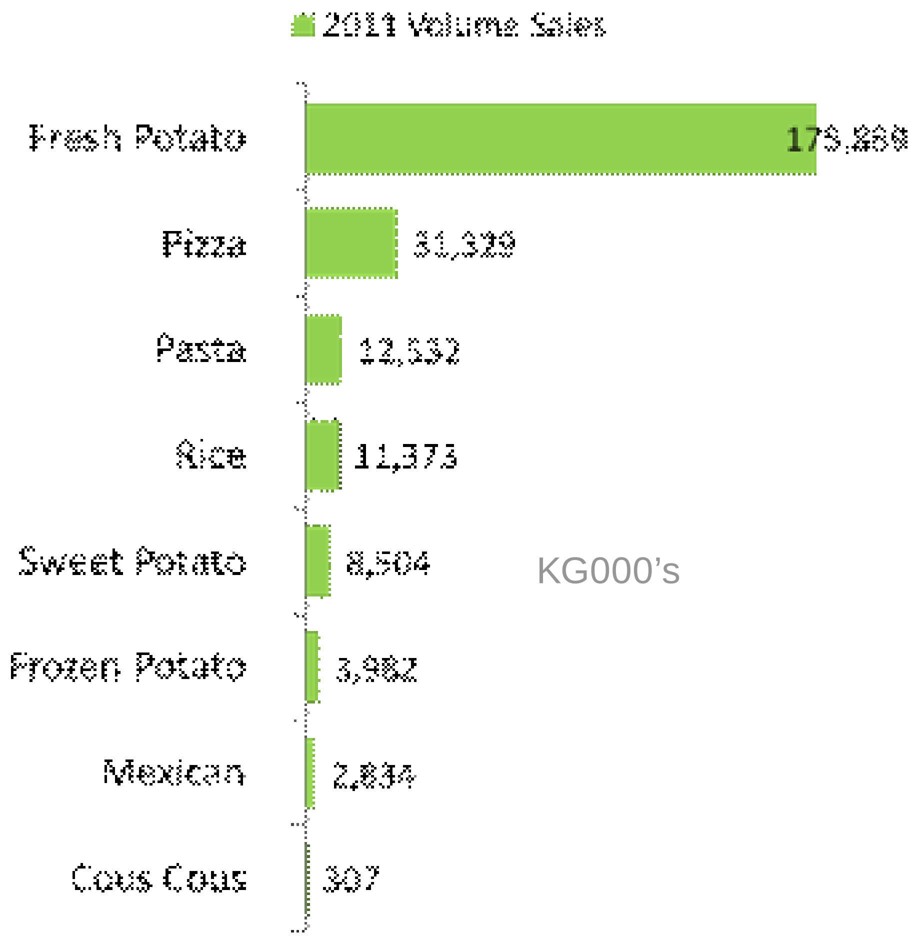
High definition inspiration

Source: Kantar Worldpanel, Dec 2011

Within our competitive set we are a clear number 1

40% of value & 70% of volume sales





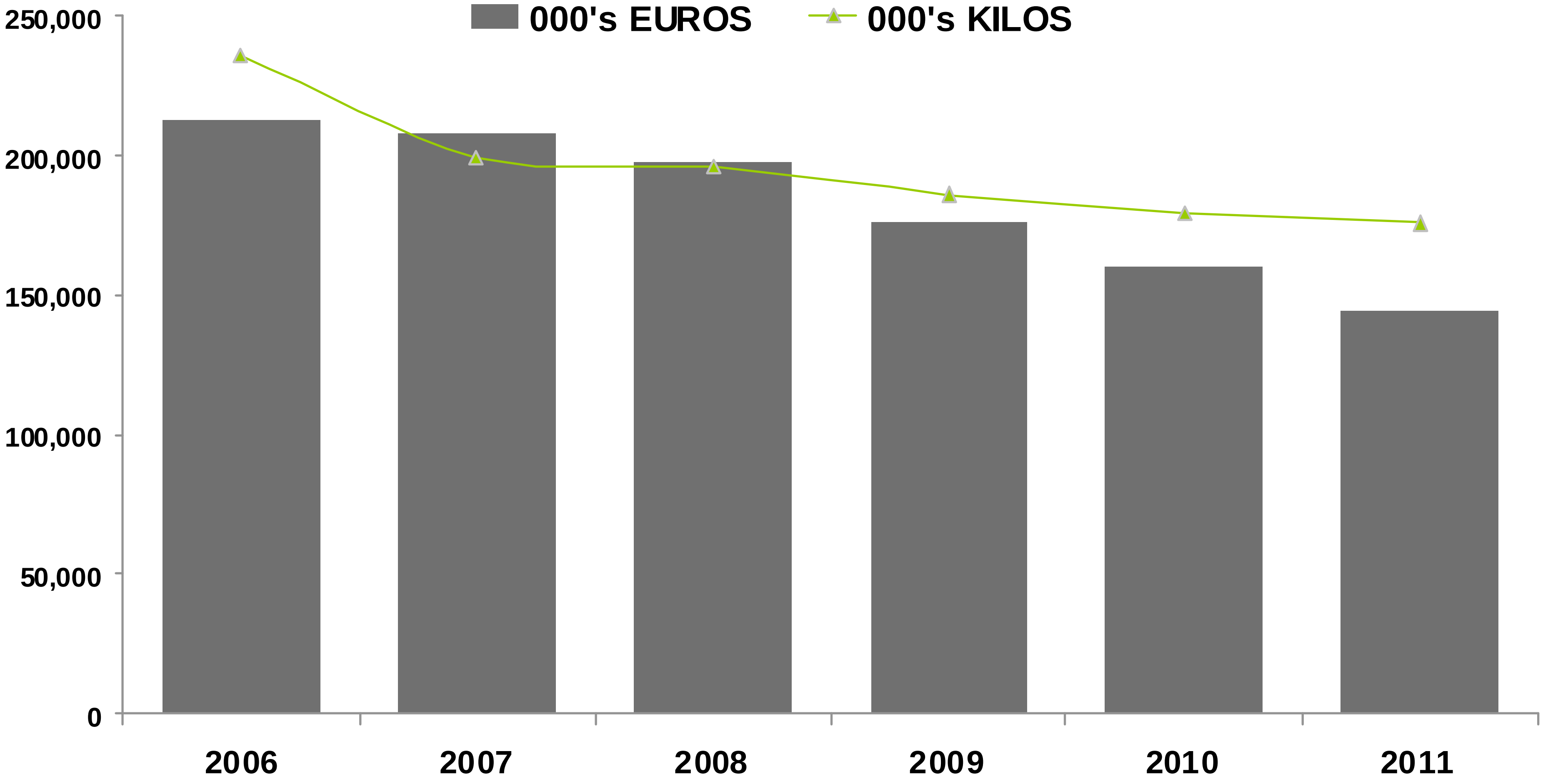
Source: Kantar Worldpanel, Dec 2011

Agenda

1. The grocery landscape
2. Potato category importance
3. **Potato category performance**
4. Consumer purchasing trends

Potatoes vol & val sales trended over the past 5 years

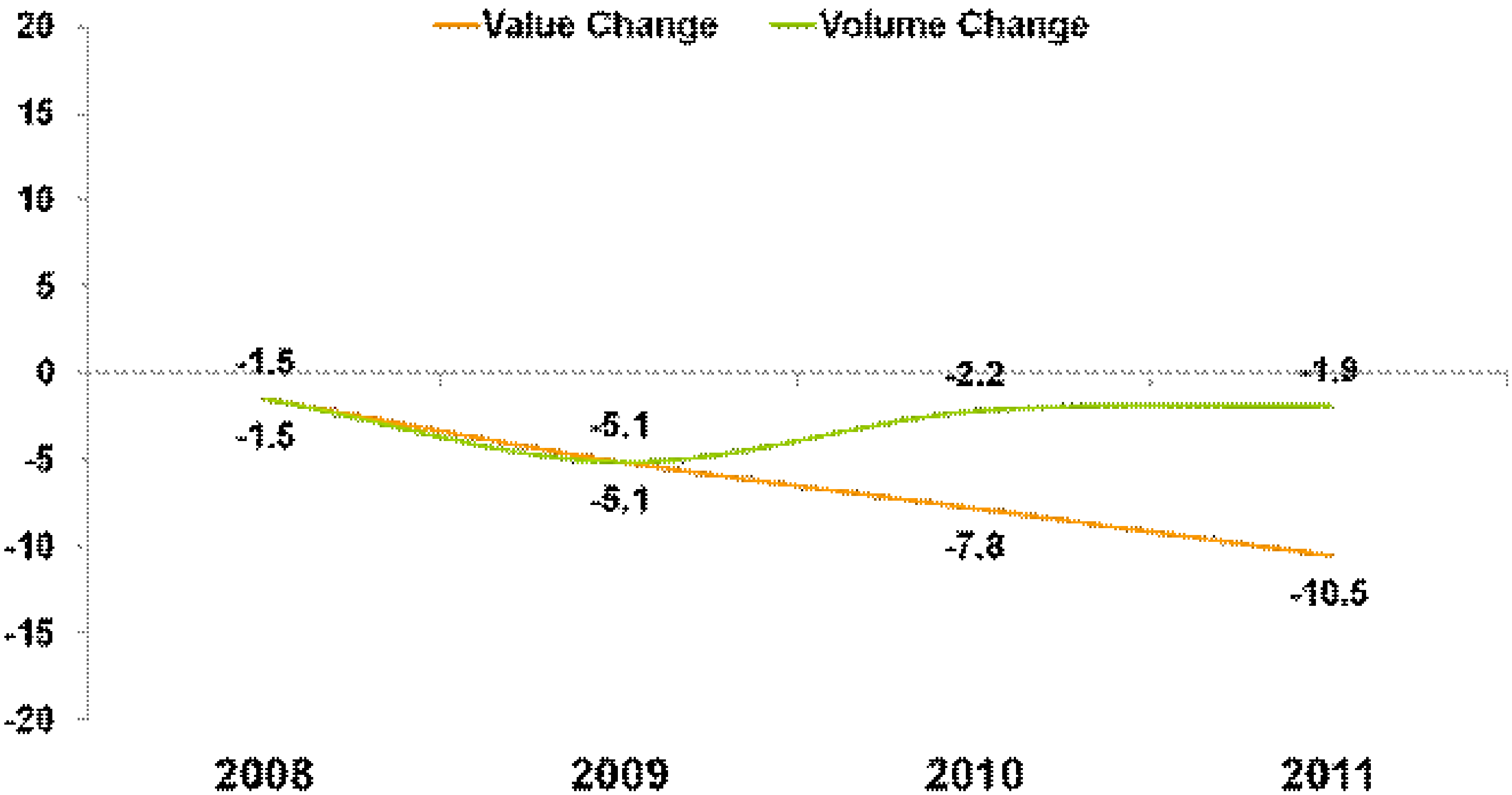
Volume decline has slowed considerably since 2008



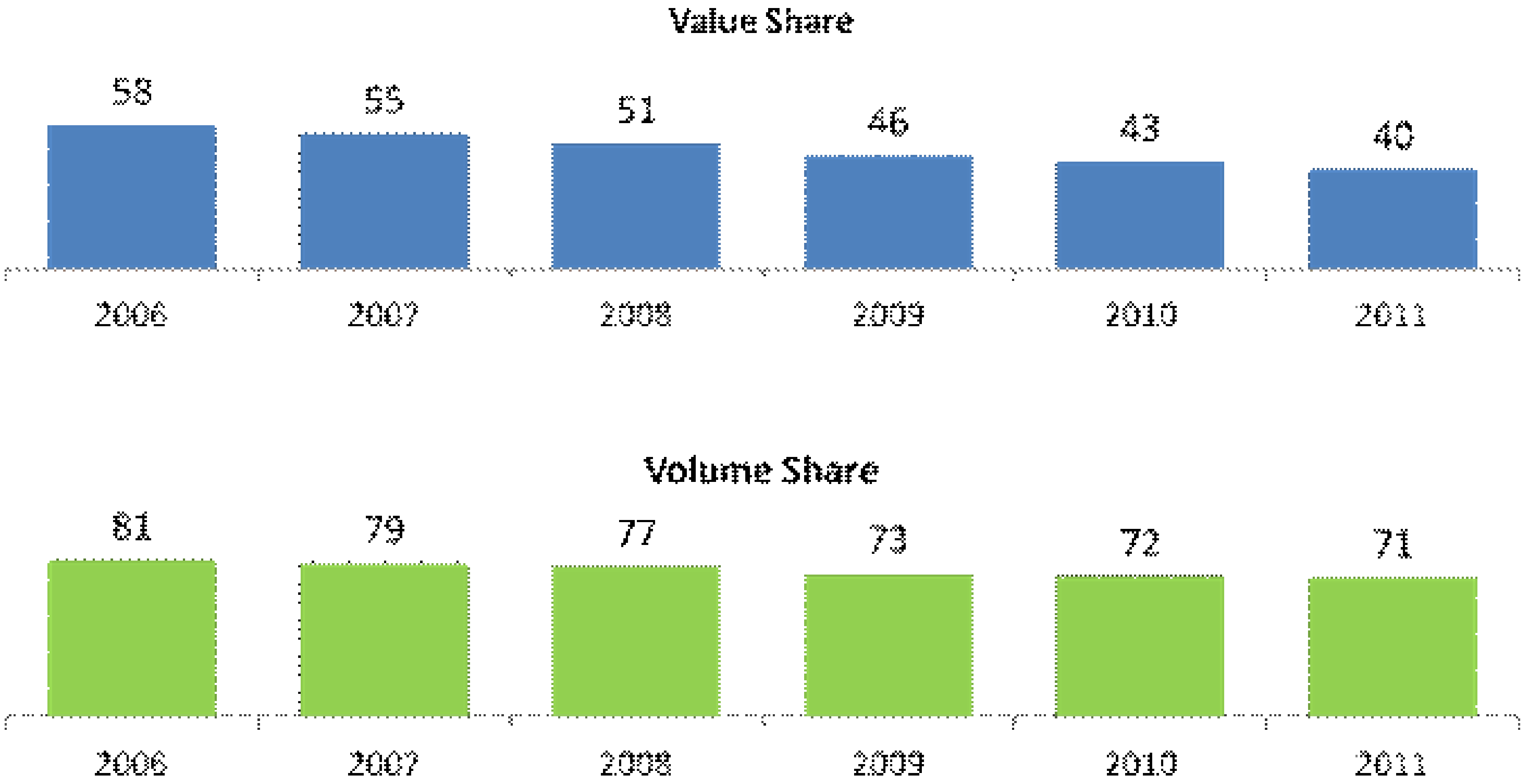
Source: Kantar Worldpanel, Dec 2011

Potatoes growth/decline trended over the past 4 years

Value currently declining faster than volume



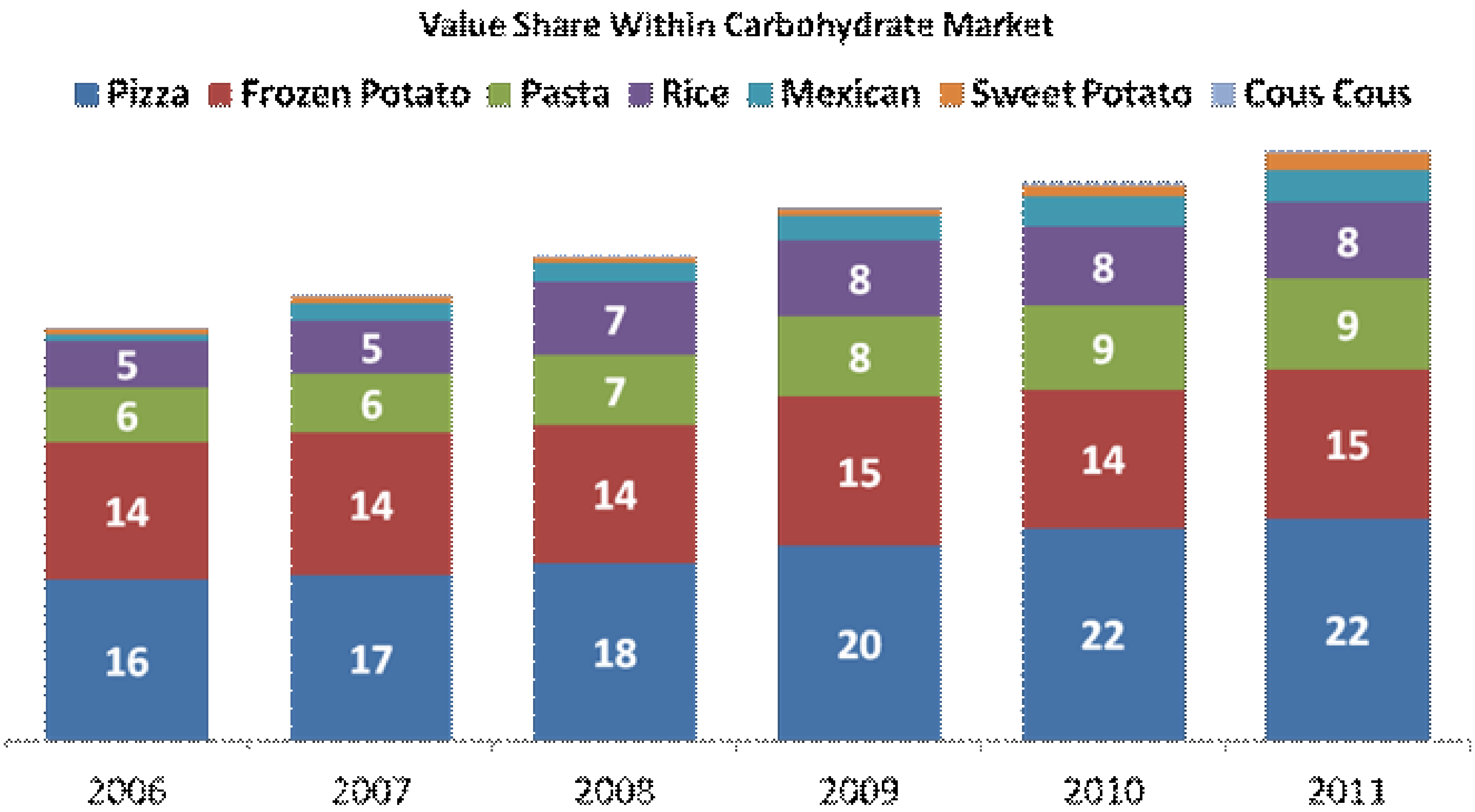
Fresh Potato Share Within Carbohydrate Category



Source: Kantar Worldpanel, Dec 2011

Competitive Carbohydrate Category Shares

Rice, Pasta & Pizza have gained ground



Source: Kantar Worldpanel, Dec 2011

Carbohydrate category 5 year performance (06 – 11)

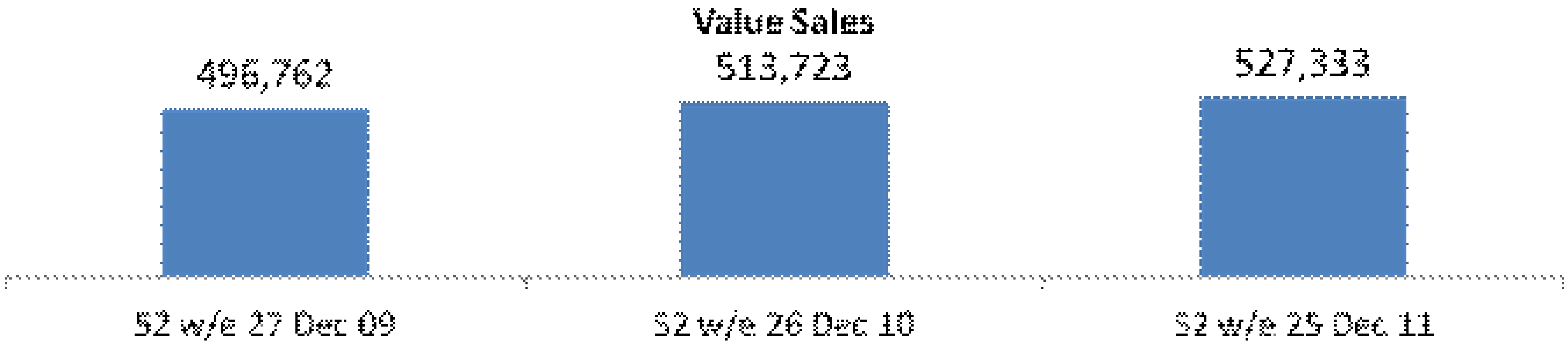
	Value	Volume	Price
	-32%	-25%*	-9%
	+6%	+12%*	-5%
	+59%	+38%*	+16%
	+62%	+45%**	+115%

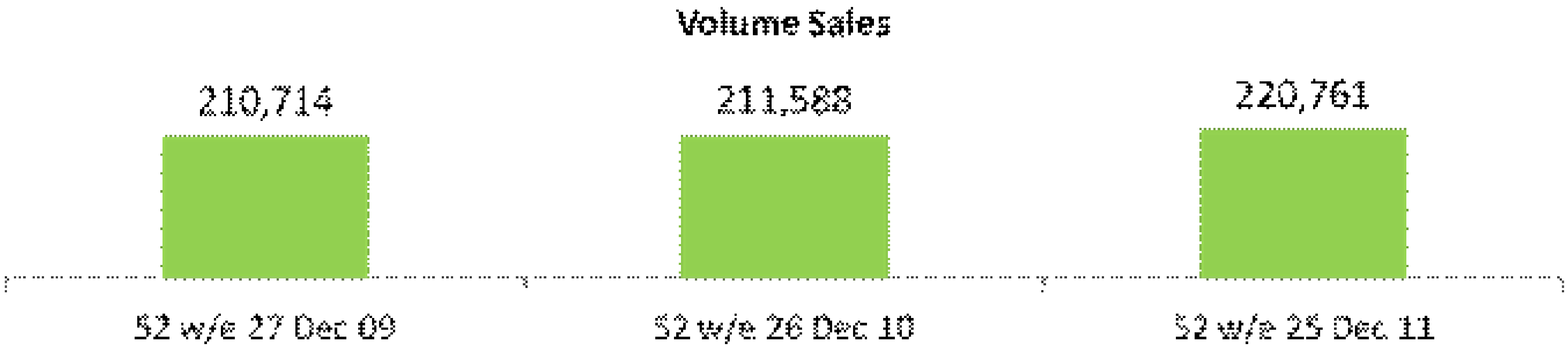
* Measured by kilo volume weight as a percentage

**Measured by number of packs as a percentage

Complementary Vegetable Category Sales Performance

Growth in value and volume sales

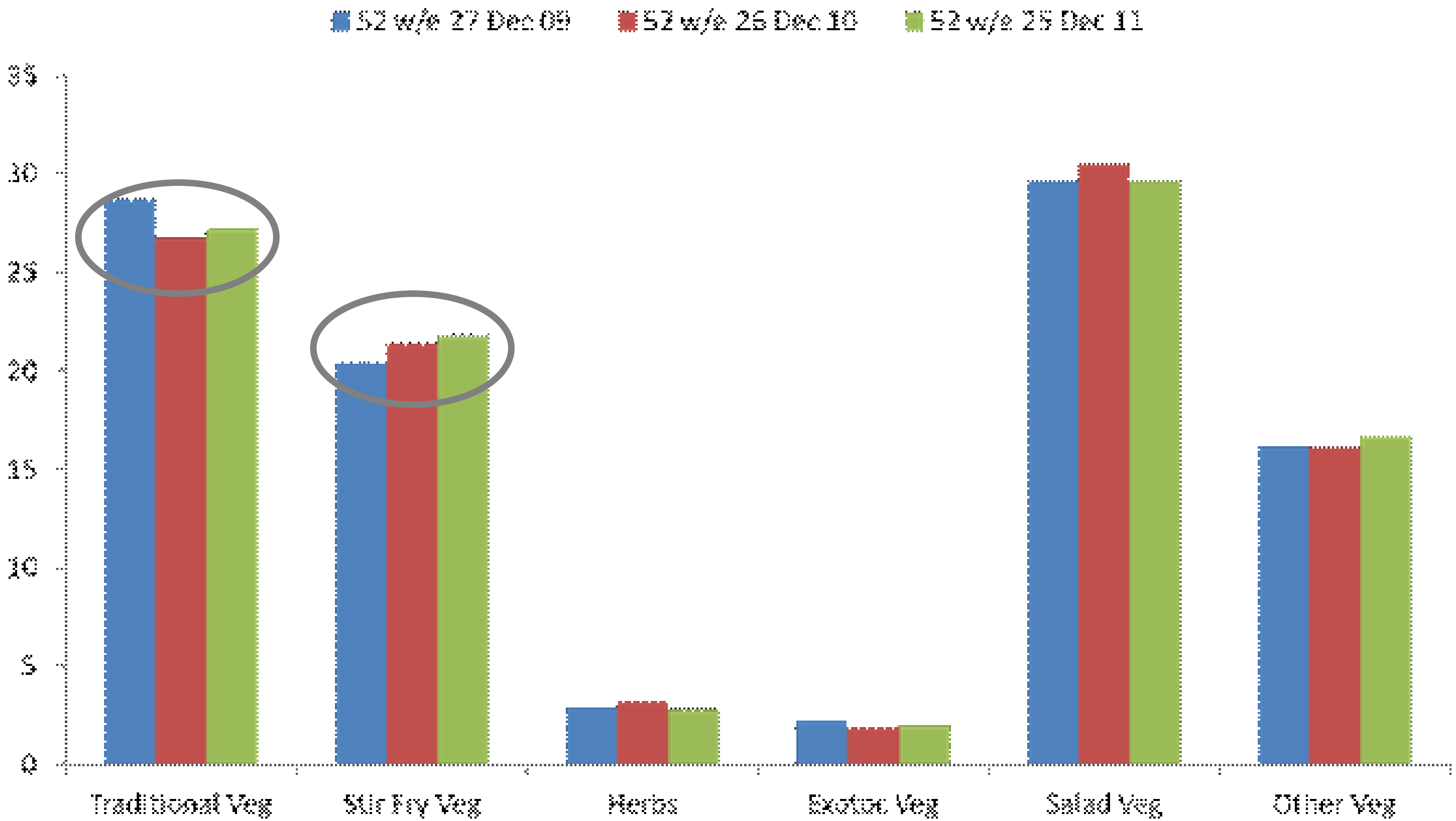




Source: Kantar Worldpanel, Dec 2011

Vegetable Category Value Share by Type

Some change, but no fundamental shift



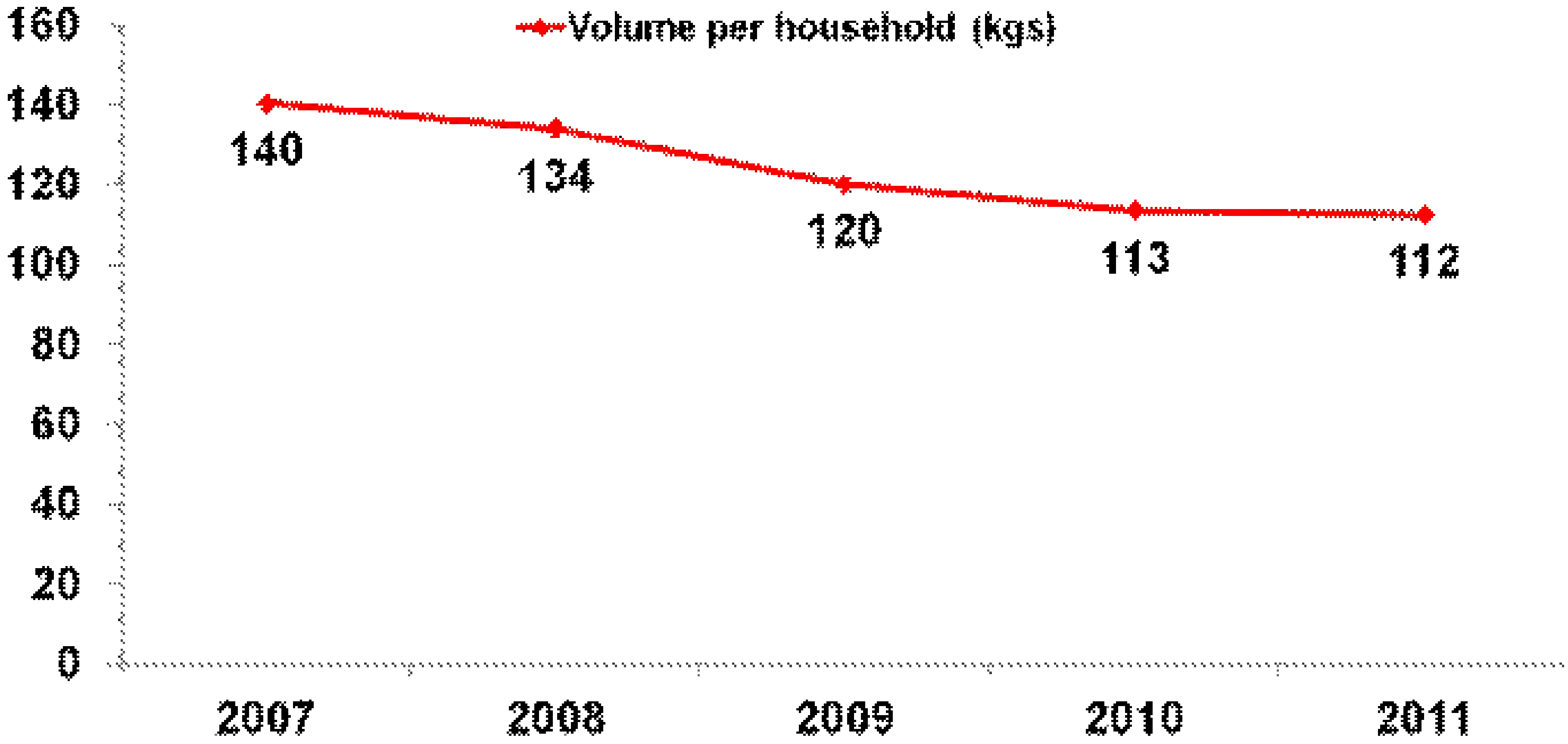
Source: Kantar Worldpanel, Dec 2011

Agenda

1. The grocery landscape
2. Potato category importance
3. Potato category performance
4. **Consumer purchasing trends**

Fresh Potato Volume Sales Per Household (KG)

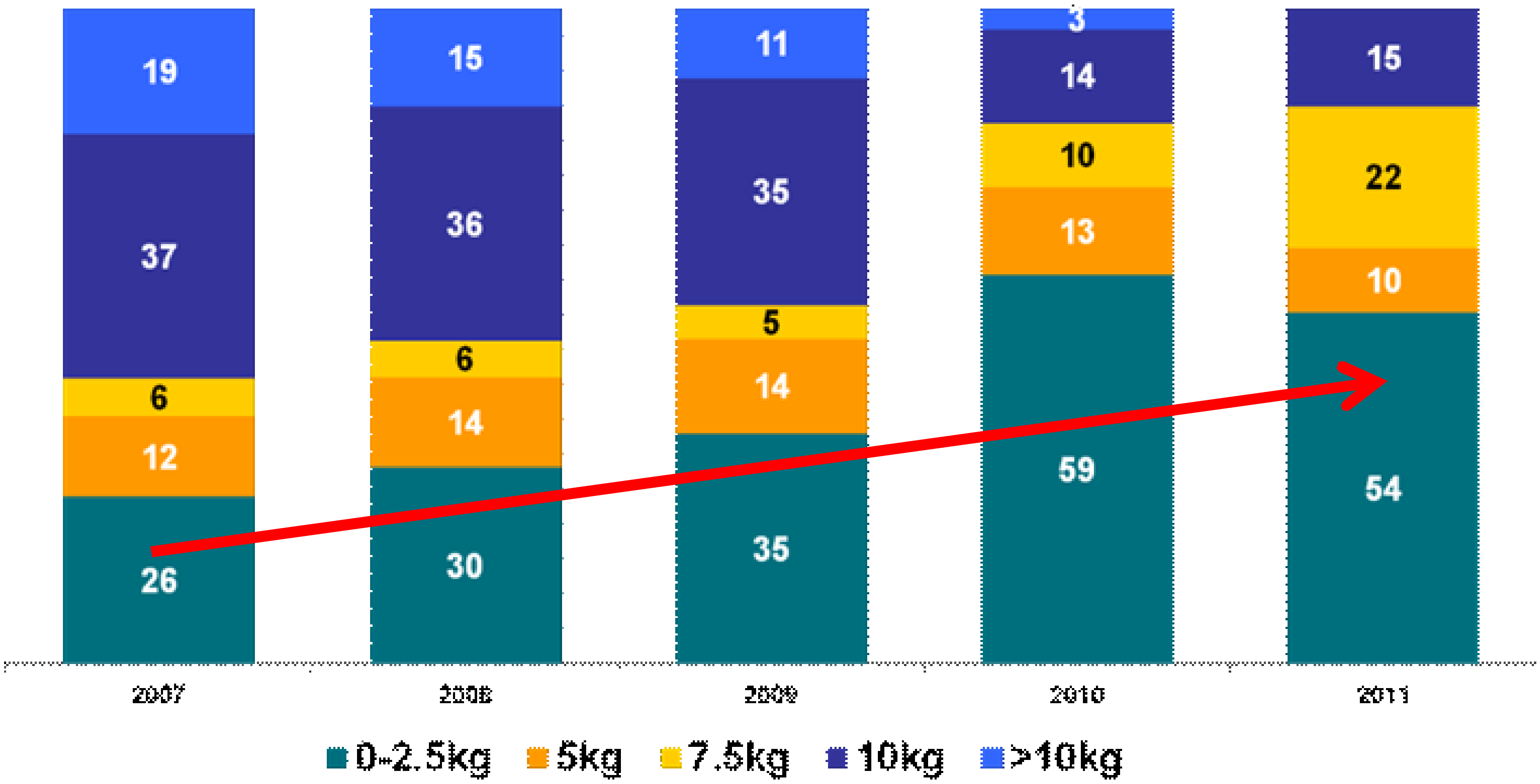
Clear trend of consumers cutting down Potato consumption



Source: Kantar Worldpanel, Dec 2011

Pack Size Share Within Total Potatoes (volume)

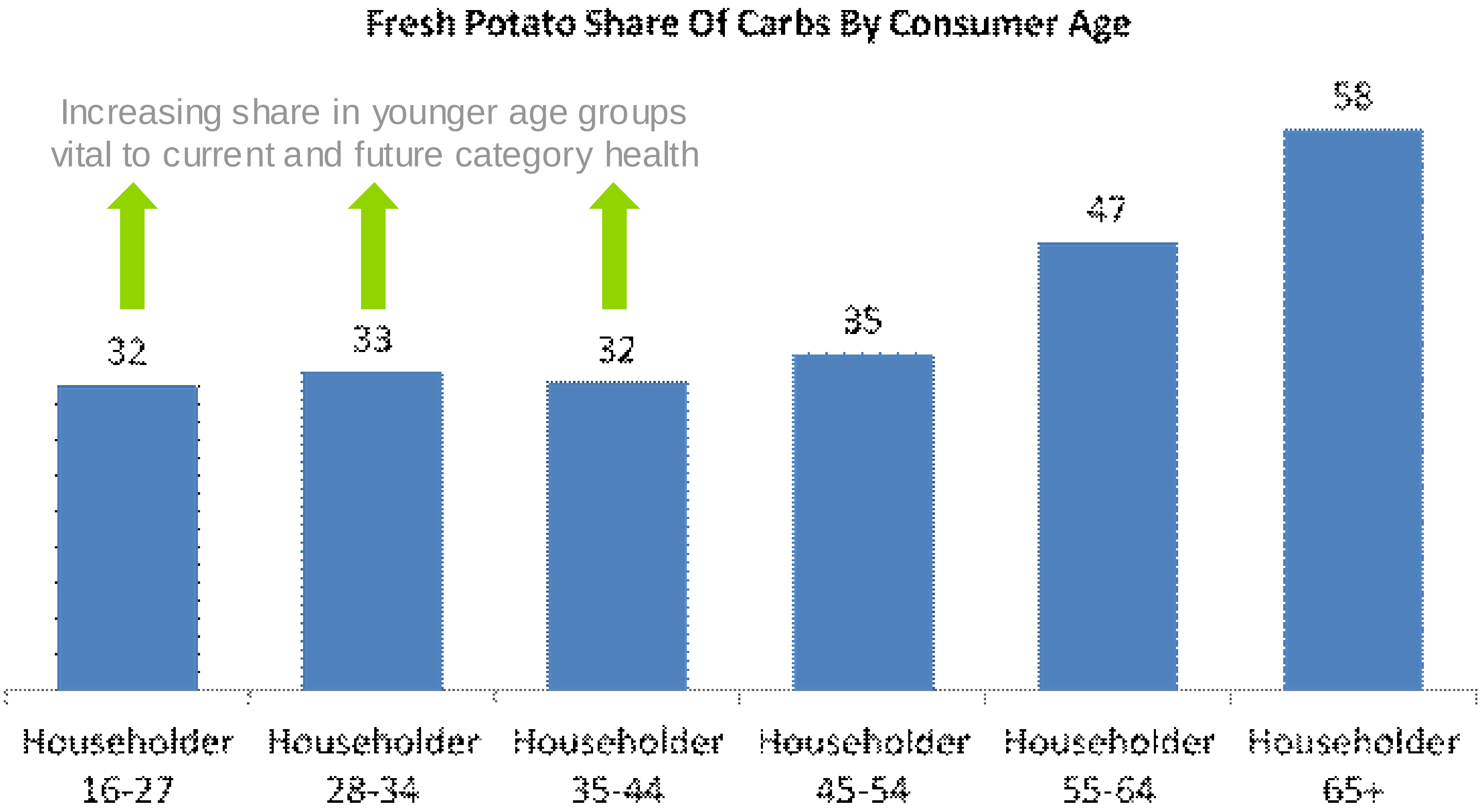
Moving to smaller backs will have led to cutting back



Source: Kantar Worldpanel, Dec 2011

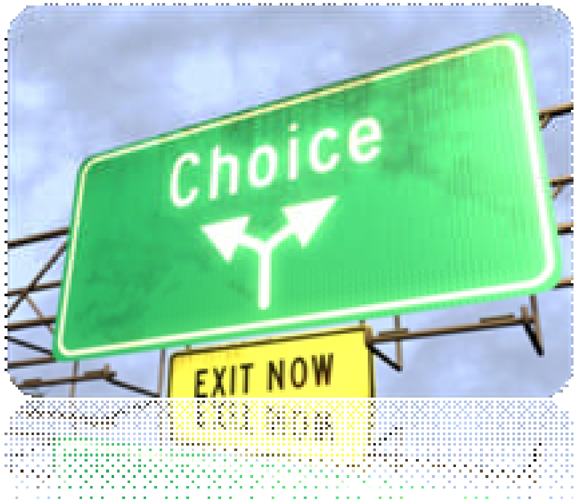
Potato Carbohydrate Share By Age

Resonance among younger shoppers is a key challenge



Source: Kantar Worldpanel, Dec 2011

Key themes



Vital Category	More & More Choice	Connecting with Consumers
Drive Footfall	Changing tastes	Younger = Less Consumption
Key to high € trips	Convenience & Health	Vital for Future Growth

KANTAR WORLDPANEL

david.berry@kantarworldpanel.com
Tel: 0860 438 090