

Consumer Index

WELCOME TO CONSUMER INDEX

Dear clients and partners,

Once again I am proud to present you with the latest edition of Consumer Index Worldpanel Asia. It provides you with up-to-date data and commentary covering the major movements in key economic indicators, category performances and the trade landscape across China, South Korea, Malaysia, Philippines, Taiwan, Thailand and Vietnam.

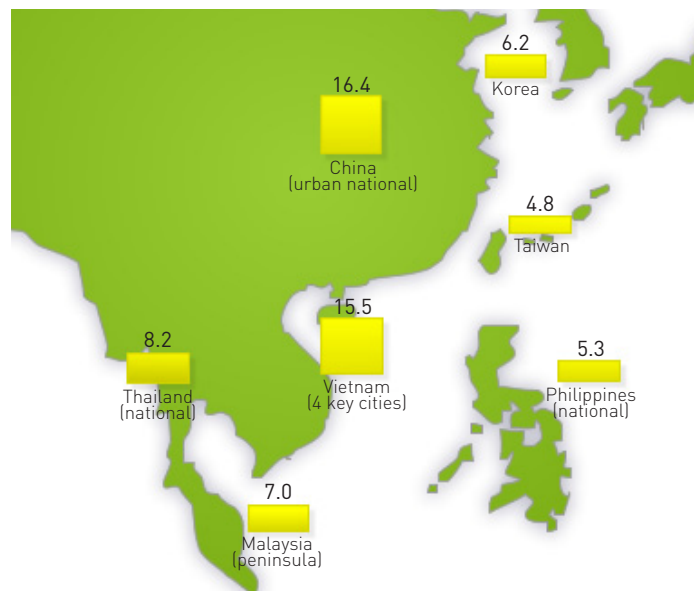
Here are some of the developments and trends we saw in the Asian region.

- In China, free products given by work units or as gifts and samples (Work Unit, Gifts, Samples channel) showed the most rapid growth among all channels with a 29.2% increase in market value against last year.
- In Korea, the Internet channel has grown fastest recording a growth of 19.2%, which amounts to 6.9% of the FMCG market, overtaking groceries and provision stores' market shares two years ago.
- At present, Malaysia has a population of approximately 28 million; of which 70% now live in urban areas, compared to just 27% in 1957 when Malaysia achieved its independence.
- In Taiwan, the unemployment rate consecutively improved in the last three years due to stable domestic demand and was 4.2% in the first quarter of 2012, which is 0.4% less than in the previous year.

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FMCG Trends % Value Changes



- In the Philippines, monetary authorities and the Philippine government conveyed optimism about the acceleration of the country's net income for the rest of the year through the continued upturn of the economic superpowers, the strengthened patronisation of local products, the widened "knowledge base" and the upsurge of job opportunities.
- The Bank of Thailand revised its 2012 GDP growth forecast to 6% due to the post-flood economic recovery across all sectors after the problems in supply disruption had been largely resolved, which led to improvements in manufacturing production, private consumption, private investment and exports.
- In Vietnam, the Consumer Price Index (CPI) calmed down during the first three months of 2012, though it continued to rise at 16% compared with the same period last year.

The data used for this issue runs up to Quarter 1, 2012 and is sourced from our Worldpanel network in the Asia region.

I would be delighted to answer any questions you might have or to hear your thoughts and views on this publication. Please contact us by e-mail on Worldpanel.Asia@kantarkworldpanel.com

Best regards,



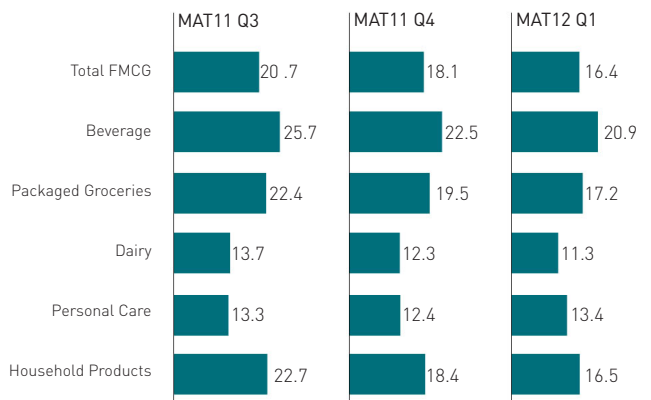
MARCY KOU
Managing Director
Worldpanel Asia

CHINA

Quarter 1, 2012



CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The FMCG spending in national urban China increased by 16.4%. The beverage sector had the strongest growth of 20.9% comparing the first quarter of 2012 with the same period of last year. The food category followed closely with a growth rate of 17.2%.

The main driving force behind the growth of the beverage sector was alcohol, where foreign spirits contributed the most. The 35.7% value increase was driven by price ups.

The kitchen sector was the major contributor of the food value growth in the first quarter of 2012. Zooming in, Kantar Worldpanel found their value growth was mainly driven by a price inflation of 13.8% and higher trip volumes. The cigarette sector was another category contributing to food's value growth with a 3.1% trip volume increase and a 14.9% price inflation.

RETAIL LANDSCAPE

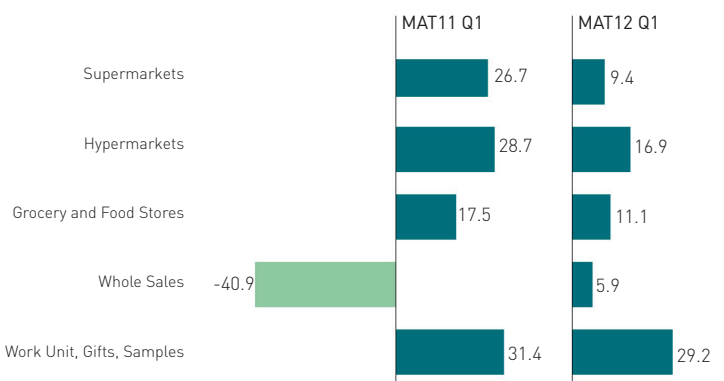
Modern trade (hypermarkets, supermarkets and convenience stores) is still the most important trade in China, which makes up over 40% of the value share in China's FMCG market. However, its importance remained relatively similar to last quarter's.

As in the last quarter, free products given by work units or as gifts and samples (Work Unit, Gifts, Samples channel) showed the most rapid growth among all channels with a 29.2% increase in market value compared with the same quarter last year; and this free channel's growth was mainly driven by Key and A cities*.

Hypermarkets were another rapid growing channel with a 16.9% market value increase compared with the same period of last year. The top 5 retailers Wal-Mart Group, RT-Mart, Carrefour, Vanguard Group and Lian Hua Group made up 51 % value share of hypermarkets in urban China. The Wal-Mart Group was the No. 1 key account in Key and A city while RT-mart was the most important retailer in lower-tier cities.

* Key cities: Beijing, Shanghai, Guangzhou and Chengdu. Tier A cities: 20 capital cities plus Qingdao, Dalian and Shenzhen

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

China's GDP growth for the first quarter of 2012 was 8.1% compared with the same period in the previous year. Compared with the fourth quarter of 2011 there was a 0.8% decrease.

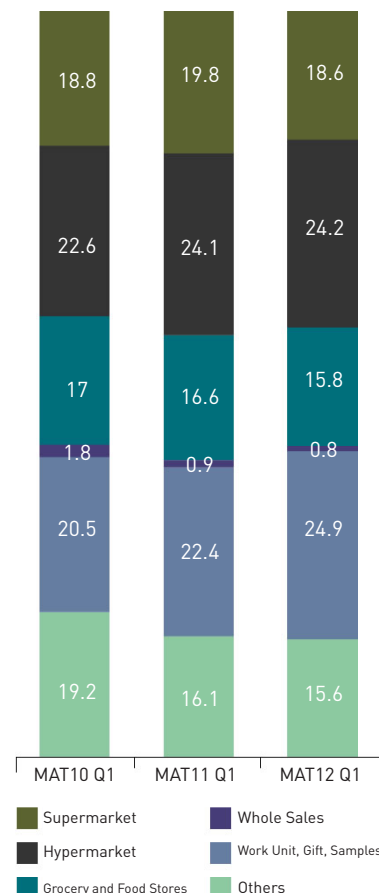
Consumer prices for the first quarter of 2012 rose by 3.8% against the same period of last year. Both rural and urban areas each noticed a price increase of 3.8%. The income growth per household was higher than the inflation. Rural residents had a faster income growth at 17.0% compared with last year, while urban residents' incomes increased by 13.8%.

Specifically in terms of different categories there was 8.0% increase in food prices, 2.6% in health care and personal care products, and 3.7% in cigarettes and alcohol.

For the first quarter of 2012, the volume of imports and exports increased by 7.3%, with exports increasing by 7.6% and imports by 6.9%.

The main driving force behind the growth of the beverage sector was alcohol, where foreign spirits contributed the most. The 35.7% value increase was driven by price ups.

TRADE CHANNEL TREND
Value Shares %



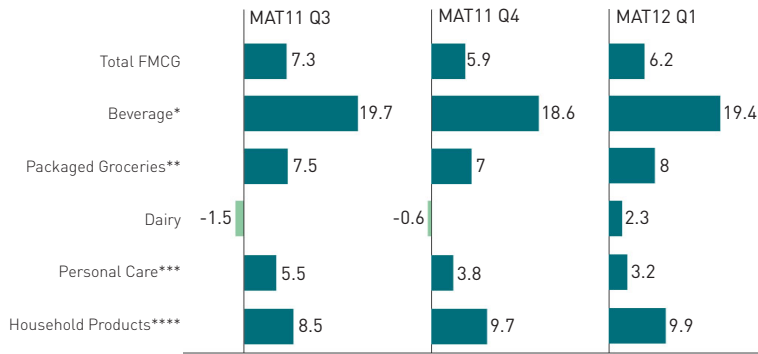
Key Economic Indicator statistics source: National Bureau of Statistics of China, April 2012

KOREA

Quarter 1, 2012



CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The FMCG market has grown by 6.2% in Q1 2012, regaining momentum after the lowest year-on-year growth of Q4 2011 in the last four quarters. Beverages, packaged grocery and household products were the key drivers of the growth, recording 19.4%, 8.0%, and 9.9% respectively in the latest quarter.

In particular, packaged grocery accelerated its growth over time, expanding its importance from 3.6% to 3.7% in the FMCG market. In the meantime, dairy products recovered from the impact of the foot-and-mouth disease, putting the growth gear from reverse (-1.0% in Q2, -1.5% in Q3, -0.6% in Q4 of 2011) to forward (2.3% in Q1 2012).

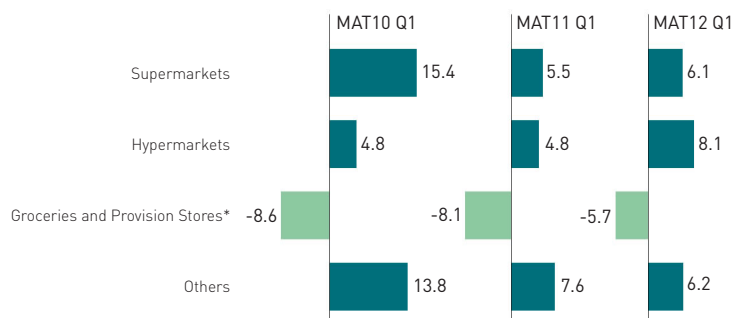
RETAIL LANDSCAPE

Hypermarkets showed the highest growth in three years after the depressed performance in the last two years. In the first quarter of 2012, Emart led the growth with a rebound from 0.9% to 11.3% against the previous year. This growth was mainly driven by dairy (11.3%), packaged grocery (11.3%) and beverages (22.9%).

Meanwhile, Homeplus and Lottemart didn't perform well. Lottemart even witnessed a continuous decline of its growth rate in the last three years, recording growth rates of 12.0%, 3.7% and 0.3%.

Hypermarkets and super supermarkets drove the growth in the FMCG market, but both benefitted of a consumption increase in the first quarter of 2012 of 7.1% and 7.6% respectively. The Internet channel has grown fastest recording a growth of 19.2%, which amounts to 6.9% of the FMCG market, overtaking groceries and provision stores' market shares two years ago. The Internet mall was the only channel showing a price decrease amidst the inflation in the FMCG market.

TRADE CHANNEL TREND % value change vs previous year



- * Beverages excluding Soy Drinks
- ** Package Groceries excluding Fresh Meat
- *** Personal Care excluding Cosmetics
- **** Household Products excluding Paper

KEY ECONOMIC INDICATORS

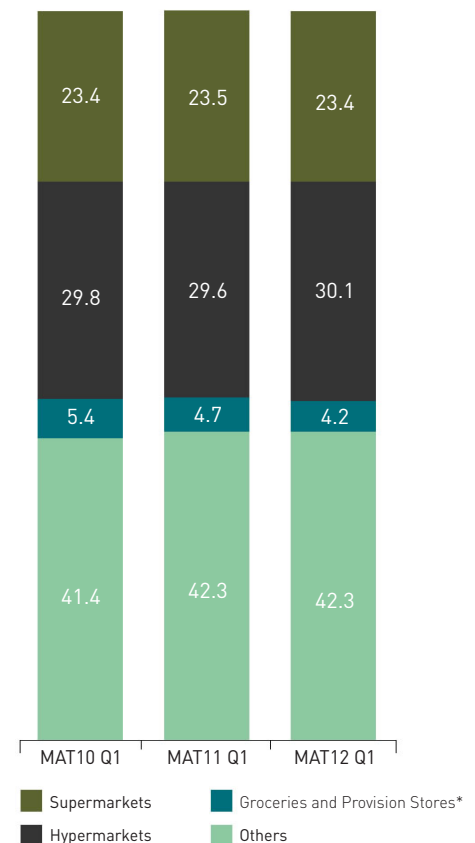
For the first quarter of 2012 the Korean economy's real GDP recorded a 0.9% growth against to the last quarter of 2011. The signs of recovery lead back to the manufacturing industry, which showed quarter-on-quarter growth of 2.2%. However, it's still unclear whether the Korean economy can recover or not.

Korea's consumer price index (2010=100) recorded 105.9 in Q1 2012, which has been rising for more than two years. This was mostly due to a price hike in food and transportation. Although most sectors contributed to the inflation trend, telecommunication was not one of them, showing 95.9% in the last quarter.

Korea is highly influenced by external changes both politically and economically. Both the instability in the North since the death of Kim Jungil, and Greece's struggle with its debt are hindering the stable growth of Korea. However, it has yet to be seen how much the 2012 Yeosu Expo in May will boost the economy.

Dairy products recovered from the impact of foot-and-mouth disease, switching the growth gear from reverse to forward (2.3%).

TRADE CHANNEL TREND
Value Shares %



*Groceries and Provision Stores = Mom & Pop Stores

MALAYSIA

Quarter 1, 2012

CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The total FMCG market has grown in the latest quarter: compared to a year ago it has grown by 7%. Following the continued price pressure on commodities, consumers remained consciously optimistic in their spending during the Chinese New Year festive season.

The food sector continued to grow at 8% year-on-year, mainly thanks to food related to the festivities such as ice cream, instant noodles, breakfast cereals and isotonic drinks. In fact, with a 9% growth hot beverages posted a much stronger performance than cold beverages with 0.4%, as especially tea peaked during the Chinese New Year period.

On the other hand, the non-food categories posted a slower growth rate at 5%. Especially smaller segments within household goods, such as floor cleaners and multipurpose cleaners have significantly contributed to the growth through additional buyers and larger purchases.

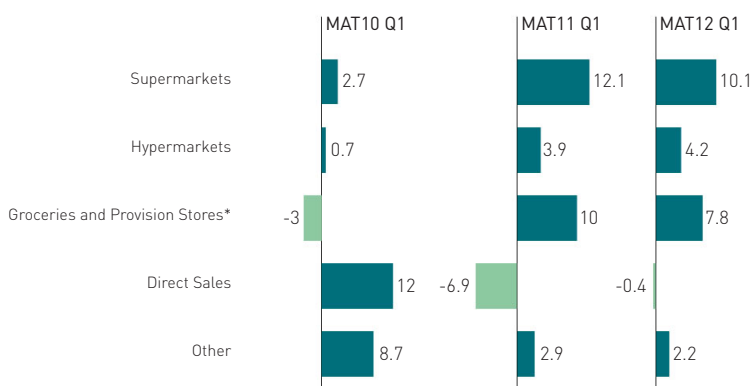
RETAIL LANDSCAPE

In average, every household consistently shopped at nine different FMCG stores over the past three years.

Modern trade grew faster than the general trade, mainly supermarkets at 10% compared to hypermarkets at only 4%. This was evidently driven by local supermarkets such as Econsave and Mydin, which entered the top 5 retailers in the Peninsula Malaysia.

The supermarkets' strategy had store expansions at nearby housing areas in mind, as well as to drive more promotions, particularly focusing on selected commodities or fast moving categories such as baby milk powder.

TRADE CHANNEL TREND % value change vs previous year



*incl. convenience stores

KEY ECONOMIC INDICATORS

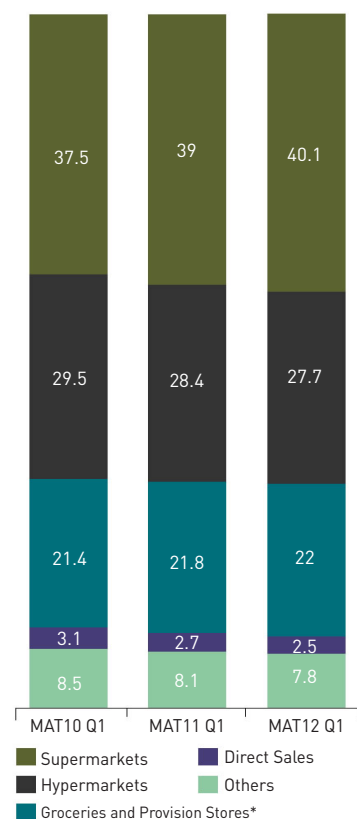
Malaysia's economy is expected to stabilize at the forecasted GDP growth of 5% for the year 2012, as the country's economy will continue to depend on stronger domestic demand to drive GDP growth against a backdrop of economic developments overseas. Entering the first quarter of 2012, Malaysia's Consumer Price Index rose 2.1% in March from a year ago. The inflation was due to the higher cost of food, particularly in commodities such as sugar, eggs and cooking oil. The government's reduction of subsidies on diesel, petrol and gas also contributed to the CPI increase.

At present, Malaysia has a population of approximately 28 million; of which 70% now live in urban areas, compared to just 27% in 1957 when Malaysia achieved its independence.

In fact, it is recorded that 36% of households are considered wealthy, earning above RM 4000. This is reflective of the government's plan to build a high-income economy through better job opportunities and imposing higher minimal wages to create a higher standard of living and productivity within Malaysia.

In average, every household consistently shopped at nine different FMCG stores over the past three years.

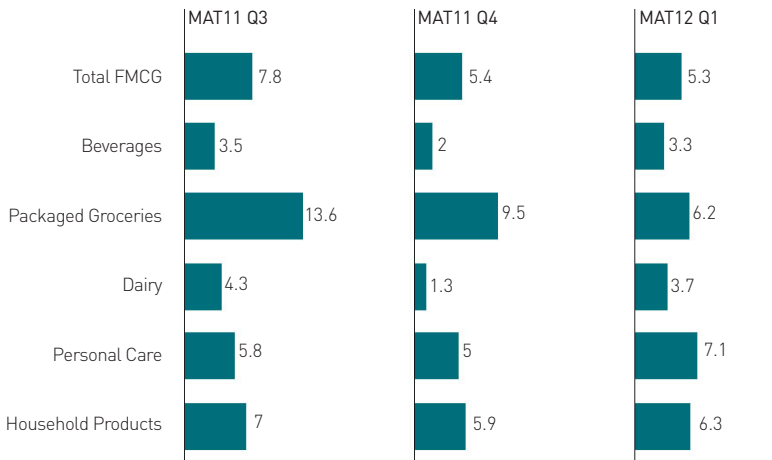
TRADE CHANNEL TREND
Value Shares %



PHILIPPINES

Quarter 1, 2012

CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The total FMCG market perked up by 5.3% in Q1 2012 through more frequent shopping occasions. The rate of increase is at par with 2011's 5.4%.

Among the macro-categories, personal care posted the fastest growth at 7.1% as shoppers bought more hair care products. Positive scores were also seen in packaged groceries at 6.2% and in household care at 6.3%; however, these upward trends were just because of inflationary pressures. Noodles/pasta and cooking oil pushed packaged groceries' sales build up, while fabric cleaning products were mainly responsible for household care's gains.

Dairy products slightly picked up at 3.7% versus last year's 1.3%; beverages also posted a better rate from 2% to 3.3%. A recent momentum in the dairy market was chiefly contributed by infant milk, while water, soft drinks and powdered coffee aided beverage's minimal increments.

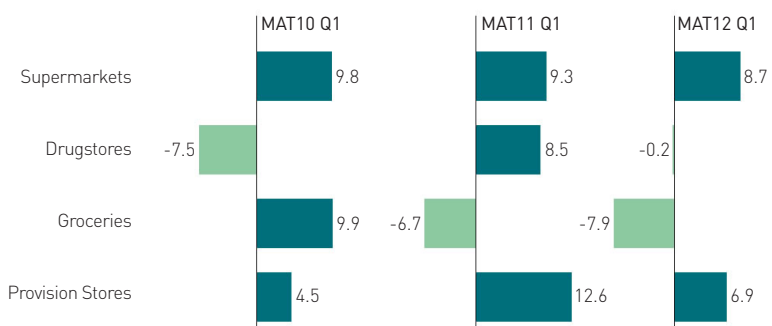
RETAIL LANDSCAPE

Provision stores, the primary source of Filipino households' in-home FMCG purchases, improved by 6.9% thanks to an enhanced shopping frequency. Supermarkets grew faster by 8.7% through more trips as well.

In contrast, groceries still have not recovered from their losses for two consecutive years, declining by 7.9% in Q1 2012. The sales slippage was due to households re-allocating their budget to other outlets such as provision stores and hyper-supermarkets.

Philippines' top 5 key retailers still account for 11% of Filipinos' FMCG spending. Puregold and Robinsons exhibited the fastest growth rates as they expanded their reach throughout the country. SM, the highest contributing retailer, beefed up by 7.6% with increased sales seen across all macro-categories except beverages.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

The Philippine economy remained resilient despite declined local investments, a deterioration of human capital and a substantial underemployment rate.

Outpacing the 3.1% inflation rate in Q1, the Philippines' gross domestic product picked up by 6.4% in the first quarter of 2012 with an increased demand of electricity of 10%, a boost in real estate investments, higher government spending on infrastructure projects, a revival of the export sector mainly through electronics shipments (+ 15%) and a sustained inflow of remittances from overseas Filipino workers (+ 5.8%).

Monetary authorities and the Philippine government conveyed optimism about the acceleration of the country's net income for the rest of the year through the continued upturn of the economic superpowers, the strengthened patronisation of local products, the widened "knowledge base" and the upsurge of job opportunities.

Key retailers Puregold and Robinsons exhibited the fastest growth rates as they expanded their reach throughout the country.

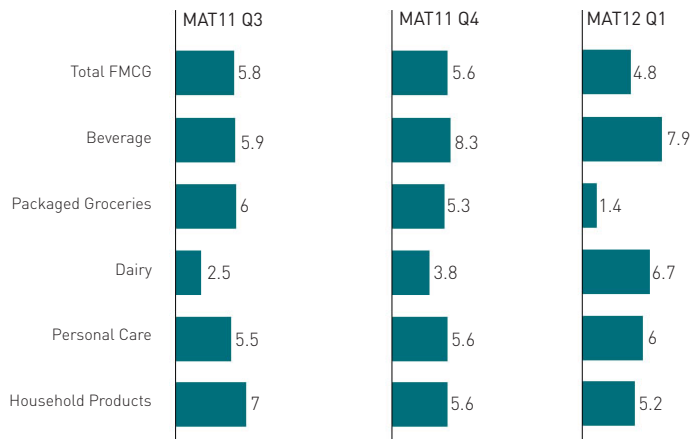
TRADE CHANNEL TREND
Value Shares %



TAIWAN

Quarter 1, 2012

CATEGORY VALUE % change vs previous year in value



Many buyers who left the liquid milk market due to the price appreciation in the last quarter returned back to this market. The maintained buyer base plus higher prices drove the whole dairy category up by 6.7% in value against last year.

Personal care increased by 6% in terms of value versus last year and ranked as the third highest value growth sector. Within this category, facial care and hair care contributed to over 50% of the sales value increase while high tier products, such as facial essences, derma brands and Japanese hair care products became even more popular.

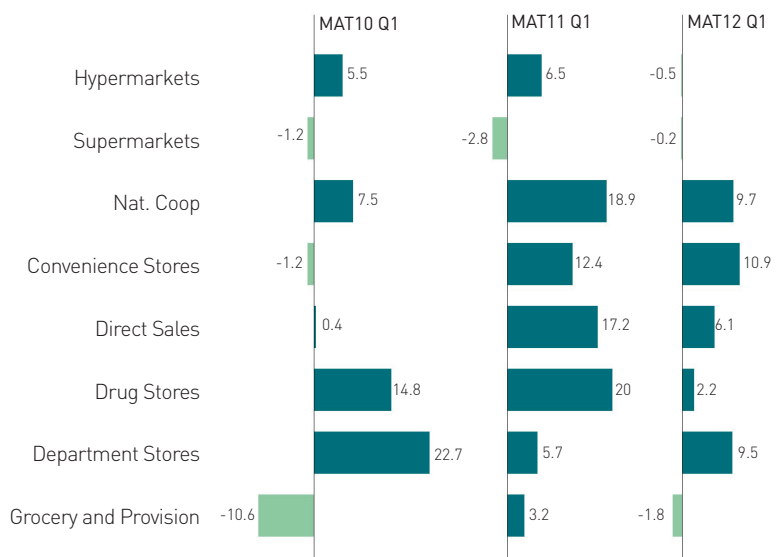
RETAIL LANDSCAPE

Although hypermarkets were still the most crucial channel in the Taiwan FMCG market, their value share continuously decreased in the past three years from 26.2% in 2010 to 24% in 2012 and now reached a record low. The two main players, Carrefour and RT-Mart, both suffered from lost buyers and decreasing market shares. Costco, the only exception within the supermarket channel, grew continuously, especially when it expanded to the South last year.

While hypermarkets kept losing share points, their biggest competitor, National Coop consecutively expanded its value share up to 13.7%. Especially after National Coop expanded its fresh food area, it attracted more buyers and stimulated their shopping frequency. The retailer is expected to grow further since its expansion plan is still ongoing and even reaches to off-shore islands.

There is no doubt that convenience stores play a more and more crucial role in Taiwanese daily life. Attributed to continuously expanding and innovative services, they successfully appealed to more buyers and heightened their spending. In the past three years, their value share gradually increased and reached 7.3% in the first quarter of 2012, while their actual value has continuously showed a double digit growth in the past two years.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

Compared to the first quarter of 2011, the estimate of the GDP growth rate for the first quarter of 2012 was 0.4%, 0.8% lower than forecasted in February. The Taiwanese government estimates that the export business will gradually recover as the global economic environment improves.

The Consumer Price Index increased by 1.3% in the first quarter of 2012 against the same period of last year. Most of this increase was attributed to higher vegetable prices as the prolonged rainy season dampened the Q1 2012 output.

Due to stable domestic demand, the unemployment rate consecutively improved in the last three years and was 4.2% in the first quarter of 2012, which is 0.4% less than in the previous year.

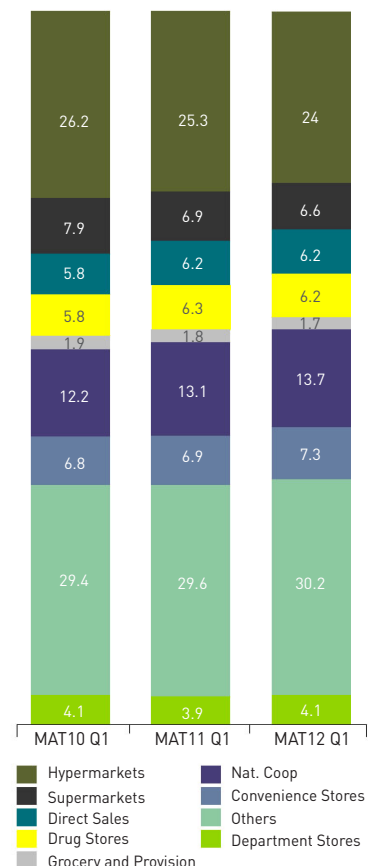
CATEGORY TRENDS

Taiwan's FMCG market showed a 4.8% value growth versus last year. However, this growth trend slowed down consecutively in the past three quarters due to the descending economy.

Since fresh brew coffee appreciated in last November, more and more buyers switched to buy instant coffee to save costs. Compared to last year, the coffee sector contributed to around 30% of value growth, leading the total beverage category to a 7.9% increase, and highly outperforming the total market in terms of value growth.

Many buyers who left the liquid milk market due to the price appreciation in the last quarter returned back to this market.

TRADE CHANNEL TREND
Value Shares %



THAILAND

Quarter 1, 2012

CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

Total FMCG sales continued to grow faster at 8.2%, which was largely driven by personal care and household products. As a result, the Thai FMCG market began seeing a higher spend per shopping occasion driving growth among all categories—more core consumption. After the slowdown during the floods, the personal care sector led the market in growth, with consumers purchasing facial cleansers, body lotions, make up, and baby diapers at the same number of trips, but spending more on each occasion.

Despite higher prices from inflation, more premium products within the household care category were key in pushing the total market growth, with more buyers bringing liquid detergent and fabric softeners into their households.

Packaged groceries' peak growth last quarter from stocking up began to slow down this quarter. Cooking oil saw a 5 THB increase against last year, though shoppers continued to purchase it, while the pet food market expanded its buyer base.

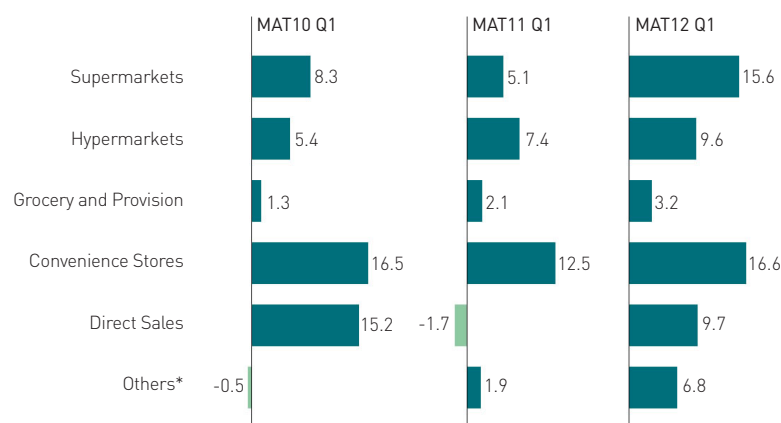
RETAIL LANDSCAPE

Grocery and provision stores (PVS) were able to achieve slightly faster growth than in the previous years, yet still lagging behind modern trade channels. Growth was sustained here as buyers continued to purchase and have not altered shopping behaviors much, though PVS consumers are beginning to purchase more per trip. The Thai government drafted a policy in order to help these mom and pop stores, which has yet to have an effect on current modern retailers, as the importance of modern trade has been exceeding PVS'.

Consumers shifted towards more premium products, while modern trade retailers continued their expansion into untapped regions in Thailand. A gain in buyers was key to driving growth among convenience stores (CVS) and supermarket channels, with CVS also seeing a higher number of visits among Thai consumers. Major hypermarket retailers such as Tesco, Big C and Tops also became more active in this arena, pushing their convenient store lines more aggressively.

Both hypermarkets' and supermarkets' value grew from consumers spending more at each shopping trip and recruiting more buyers to their stores.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

The Bank of Thailand revised its 2012 GDP growth forecast to 6% due to the post-flood economic recovery across all sectors after the problems in supply disruption had been largely resolved, which led to improvements in manufacturing production, private consumption, private investment and exports. Rising investment in commercial cars, along with a surge in imports of capital goods in several industries including electronics, electrical appliances, automobile and machinery and equipment helped the Private Investment Index to grow by 9%.

Headline inflation grew to 3.5% from the previous period, following the rise in energy prices. Core inflation stood at 2.8%, rising across almost all goods categories, especially prepared food prices.

Exports of manufacturing products, especially electronics and automobile, expanded due to an improved manufacturing production. Nonetheless, the total export value fell by 6.8%, as decreased rubber export prices and a decline in rice exports from deteriorated price competitiveness caused exports of agricultural products to plummet.

Despite higher prices from inflation, more premium products within the household care category were key in pushing the total market growth, with more buyers bringing liquid detergent and fabric softeners into their households.

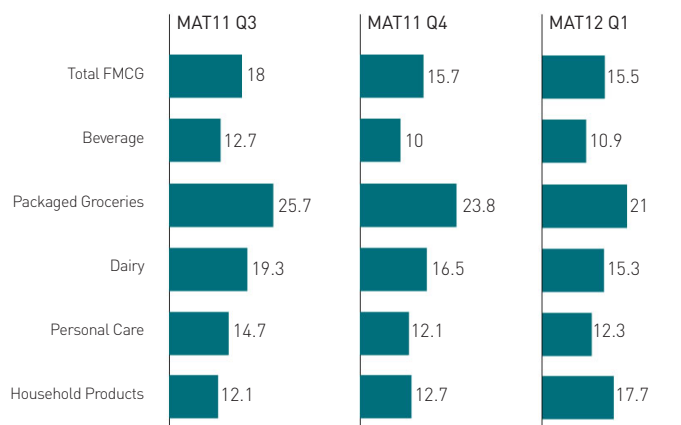
TRADE CHANNEL TREND
Value Shares %



VIETNAM

Quarter 1, 2012

CATEGORY VALUE % change vs previous year in value



This two digit growth rate was largely driven by packaged groceries (21%). Packaged groceries of bare necessities such as instant noodles, chili sauce and cooking oil were leading the market with a growth of around 30% in terms of value. Home care manufacturers also performed well in capturing consumer spend, especially within categories like liquid detergents, dish washing liquids, air fresheners and floor cleaners.

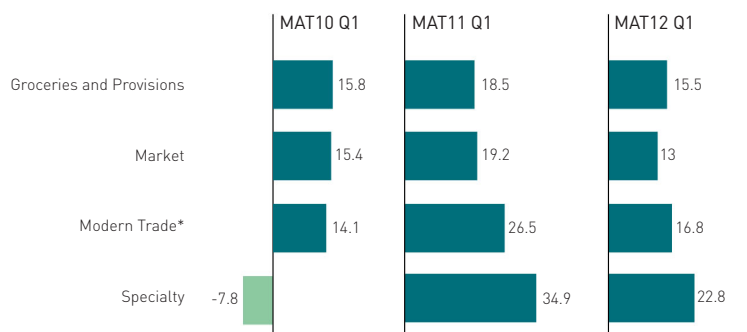
Rationalising purchases towards the bare necessities remained one of the leading trends of urban consumers in Vietnam in the beginning of 2012. This behavior was mainly expressed by a restructuring of the FMCG wallet share, in which packaged groceries held a larger part of the spending while not-so-necessary sectors like personal care and beverages kept shrinking.

RETAIL LANDSCAPE

All trade channels continued to grow well in the latest quarter. Street shops, which caught over 60% of urban households' FMCG budget, remained the most common FMCG retailers and grew by 15.5% over the last year. However, as a major cause, Vietnamese urban consumers continued to shift their shopping from traditional trade (both street shops and wet markets) to modern trade channels, where they could find a better range of products at more competitive prices, in particular through larger pack sizes and promotions, while enjoying a safe and convenient shopping experience.

The modern trade shopping trend was driven mainly by Coopmart and Big C – two key accounts holding three quarters of the FMCG value purchased through hyper-supermarkets.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

In spite of many difficulties and challenges, the country's economy in the first quarter of 2012 worked hard on its recovery with a year-on-year GDP growth of 4%.

Though it continued to rise at 16% compared with the same period last year, the Consumer Price Index (CPI) calmed down during the first three months of 2012. The CPI in March 2012 rose by 14.2% against March 2011 and by 2.6% compared to December 2011. The increase came mainly from the inflated prices of fuel, food, housing and construction.

CATEGORY TRENDS

In line with the steady price inflation since early 2011, the total Fast Moving Consumer Goods market value growth in urban Vietnam continuously increased. With a growth rate of 15.5% in the latest period (MAT Q1 2012), Vietnam was still one of the fastest growing FMCG markets in South East Asia.

Rationalising purchases towards the bare necessities remained one of the leading trends of urban consumers in Vietnam.

TRADE CHANNEL TREND
Value Shares %



* Department Stores, Hypermarkets, Supermarkets, Minimarkets, Direct Sales and Whole Sales.

SOURCES AND 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 a diary format, each panel member records the details of every item they purchase.

SAMPLE SIZES:

Country	Current (Actual) Sample	
	Sample Size	Coverage
China	40,000	National Urban
Korea	3,000	National
Malaysia	2,500	Peninsula
Philippines	3,000	National
Taiwan	2,500	National
Thailand	4,000	National
Vietnam	2,150	4 key cities

CATEGORY UNIVERSE:

FMCG: Fast Moving Consumer Goods (Includes Food, Beverages, Personal Care and Household Products)

CHANNEL DEFINITION:

Hypermarket	General self service stores selling food and beverage, clothing, household and electrical equipment. Grouping of all stores with hypermarket format (country specific definition)
Supermarket	Self service store, providing shopping basket / trolley. Grouping of all stores with supermarket formats (country specific definition) <i>Note: China includes 24 hours opening convenient stores in Supermarket.</i>
Convenience Stores (CVS)	General self service, chain or non chain stores, selling food & beverage, takeaway fast food and limited personal care and household products. Long (often 24 hour) store opening hours
Drugstore	Includes pharmacies, chemists, Chinese Medical Halls, beauty stores
Department Store	Product offering extends beyond FMCG to clothing, household appliance, family and beauty. Often products sold on a counter / department basis
Grocery/Provision/ Liquor Store	Includes sundry/traditional/mom and pop stores, all markets (wet, night, day), liquor stores, convenience, petrol forecourt outlets
Direct Sales	Direct Mail, Direct Delivery and Direct Sales Outlets

Note: Channel definitions do differ slightly from country to country and in some countries a particular channel may not be available or tracked.