FMCG Monitor

12 weeks period ending 19 May 2013
(12 w/e P5/13)

EXECUTIVE SUMMARY

- The Vietnamese economy continues to suffer from slow reforms. CPI in May reports a decline compared to April as domestic **demands remain low**.
- The FMCG market value growth is now alarmingly low at +7% in Urban and +9% in Rural areas, and even stagnant in volume. Meanwhile, the bright spot is that, among all sectors, **Dairy** shows the **strongest growth** in value at +12% in Urban and +20% in Rural.
- In **Urban**, most key channels witness a **slow growth** due to an overall downtrend of FMCG market. Under continued economic downturn, Hyper/supermarket becomes less appealing as reflected in its stagnant growth recently. Meanwhile, Ministore remains its robust performance over this period with +91% gain in value thanks to a continuously expanding shopper base with more frequent shopping pattern. In **Rural**, though still a minor channel, **Modern Trade** keeps booming with a rise of +17% in value compared to one year ago.
- During the examined period, Dairy sector wins the Hot Categories with **Functional Drinking Yoghurt** in Urban (+15% in volume) and **Cup Yoghurt** in Rural (+15%) mostly thanks to new buyer recruitment.
- Driven by real demand, Vietnam dairy market has been shining within the SEA region with **double-digit growth** even in tough economic conditions. Today, dairy plays the **most important part** in FMCG wallet of urban families, and enjoy the **leading growth** in rural recently.

KEY INDICATORS

#LowDemand
CPI in May reports a decline of -0.06% compared to April as domestic demands remain low.

#FMCGModestGrowth
Influenced by general economic deceleration, the FMCG market growth is relatively flat compared to the same period last year.

+4.9% — **GDP**
Quarter 1/2013 vs. year ago

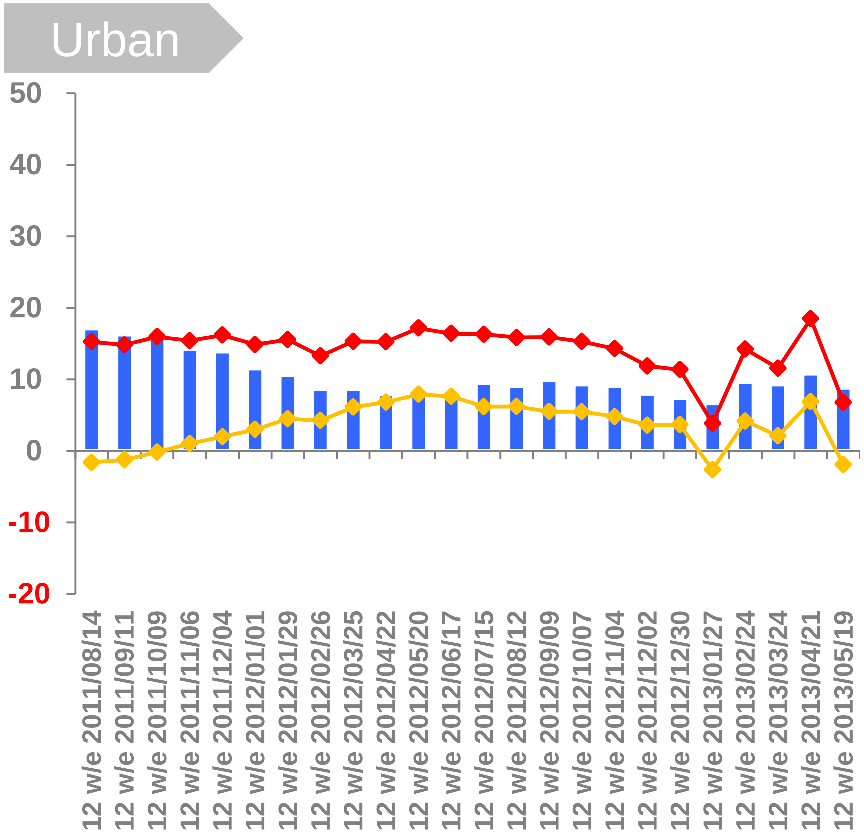
+6.4% — **CPI**
May 2013 vs. year ago

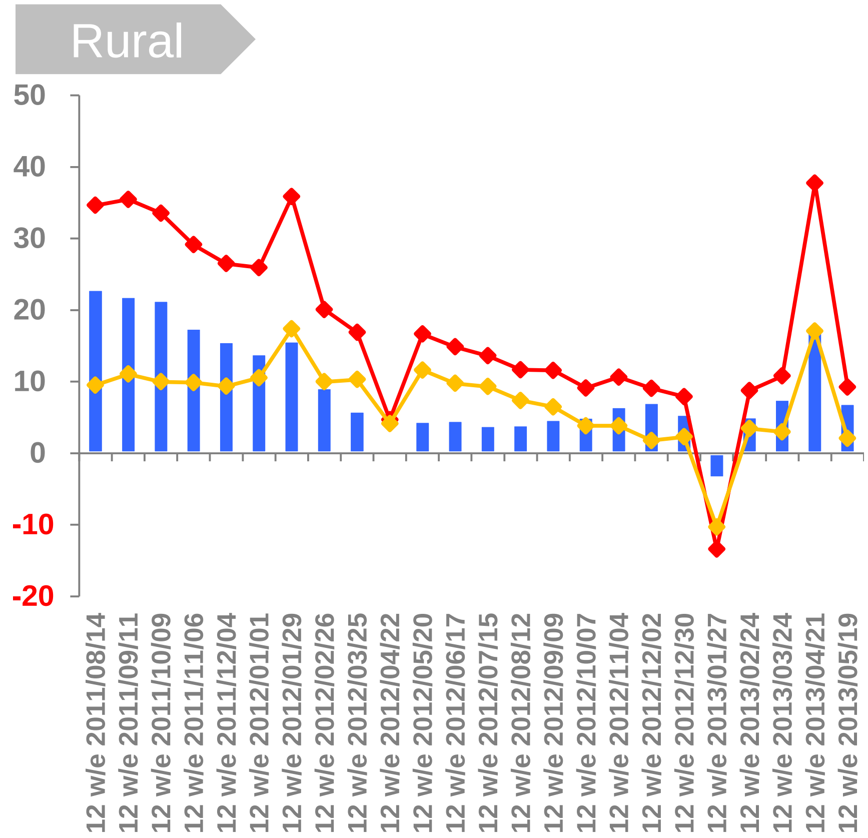
+6.8% — **FMCG GROWTH, URBAN 4 CITIES**
12 weeks ending 19 May 2013 vs. year ago
(12 w/e P5/13 vs. YA)

+9.2% — **FMCG GROWTH, RURAL**
12 weeks ending 19 May 2013 vs. year ago
(12 w/e P5/13 vs. YA)

FMCG – 12 WEEKLY YEAR-ON-YEAR CHANGE (%)

Influenced by general economic deceleration, FMCG market continues its slow-down in long term, and now really alarming with negative volume growth (in packs) in urban.





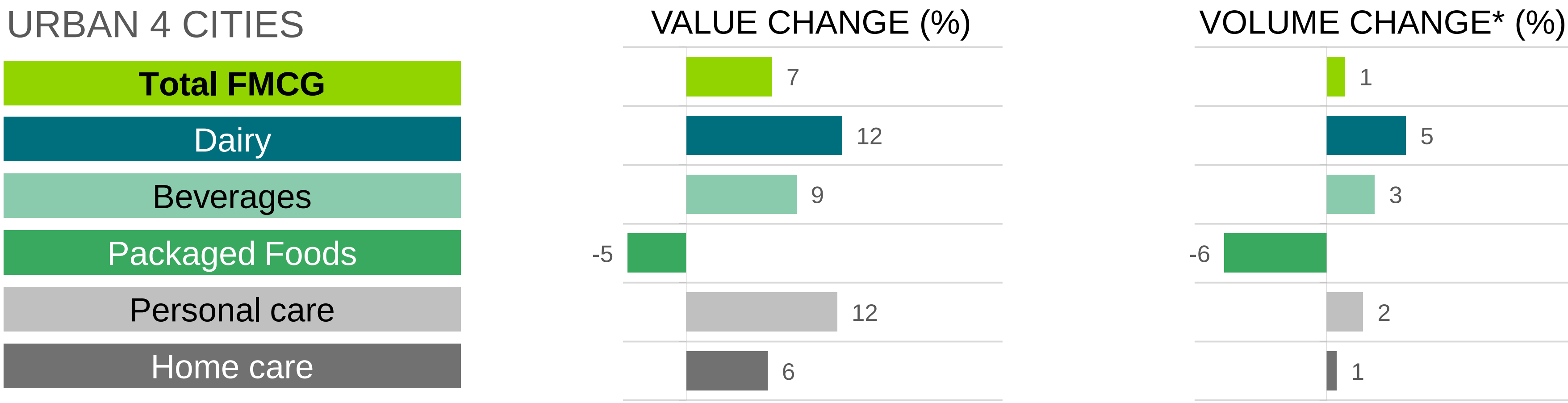
% change:

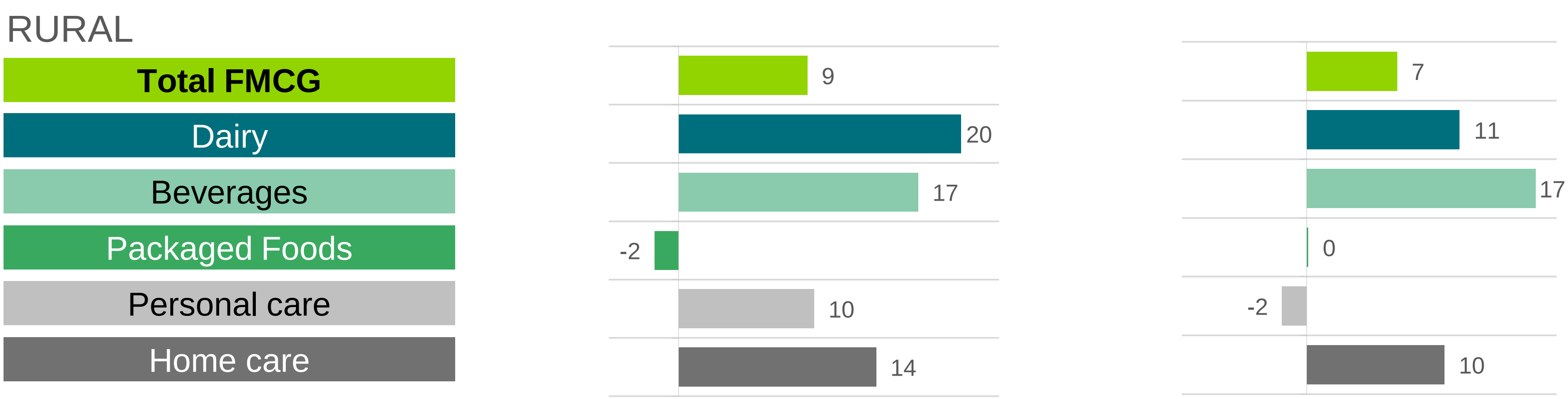
Avg. Price per pack — Value — Volume (packs)

Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

FMCG BASKET TRENDS

Once again, Dairy products lead the growth in both Urban and Rural. Packaged foods (in both urban and rural) and Personal care (in rural) are most impacted by the slow-down.



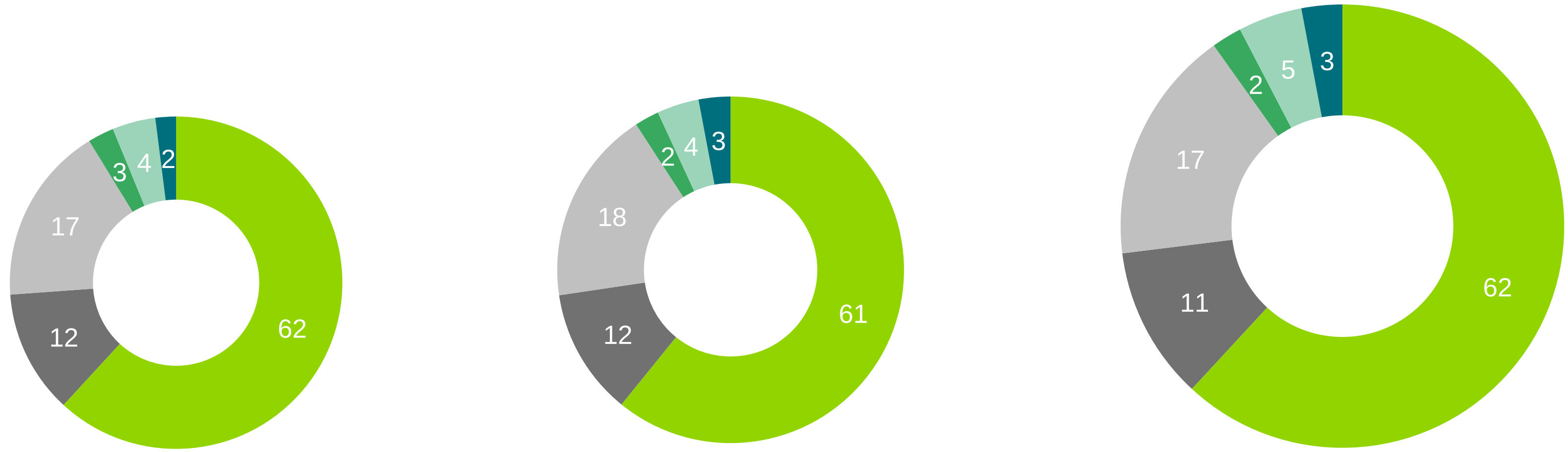


*: Volume change % of market/sector is the average of volume change (%) in kilogram/litre of each belonging category, weighted by its value contribution to total market/sector within the previous period.
Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

12 weeks ending P5/13 vs. YA

RETAILER SNAPSHOT – URBAN

% Value



12 w/e P5/11 | 12 w/e P5/12 | 12 w/e P5/13

Street shops | Wet market | Modern Trade | Direct sale | Specialty | Others

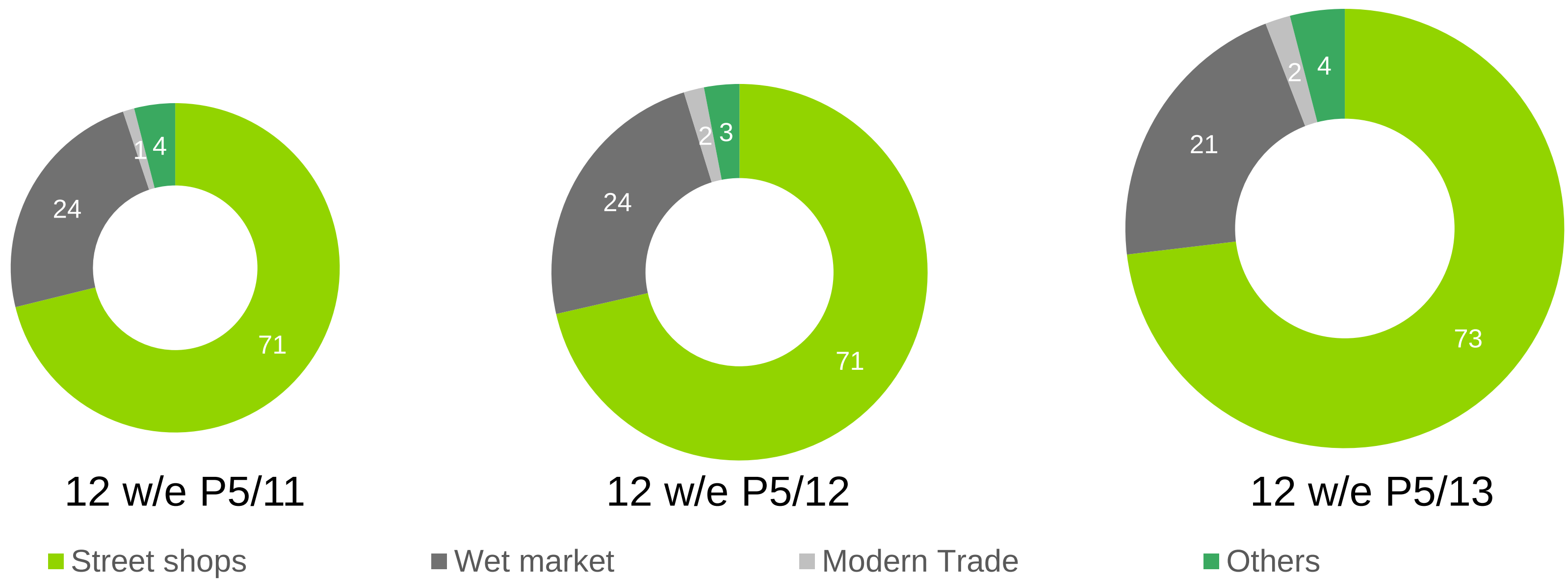
VALUE CHANGE %	12 w/e P5/12 vs. YA	12 w/e P5/13 vs. YA
Street shops	●	●
Wet market	●	●
Modern trade	●	●
> Hyper/Supermarket	●	●
> Ministores	●	●

● Growth ≤ -0.5% ● -0.5% < Growth < 5% ● 5% ≤ Growth ≤ 15% ● Growth >15%

Source: Kantar Worldpanel – Households Panel – Vietnam 4 key urban cities – Total FMCG excluding Gift

RETAILER SNAPSHOT – RURAL

% Value



VALUE CHANGE %	12 w/e P5/12 vs. YA	12 w/e P5/13 vs. YA
Street shops	●	●
Wet market	●	●
Modern trade	●	●

● Growth ≤ -0.5% ● -0.5% < Growth < 5% ● 5% ≤ Growth ≤ 15% ● Growth >15%

Source: Kantar Worldpanel – Households Panel – Rural Vietnam – Total FMCG excluding Gift

HOT CATEGORIES

URBAN 4 CITIES

Functional Drinking Yoghurt

VOL CHANGE %

+15%

12 w/e P5/13 vs. YA

+1.3pt

Penetration

Incremental of 41,000 households

RURAL

Cup Yoghurt

VOL CHANGE %

+15%

12 w/e P5/13 vs. YA

+1pt

Penetration

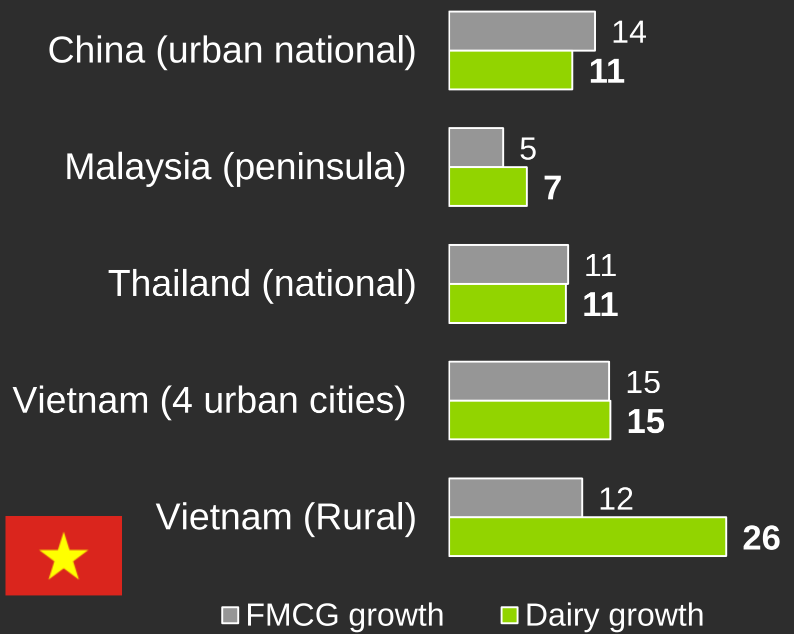
Incremental of 290,000 households

Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

THE MILKY OPPORTUNITIES

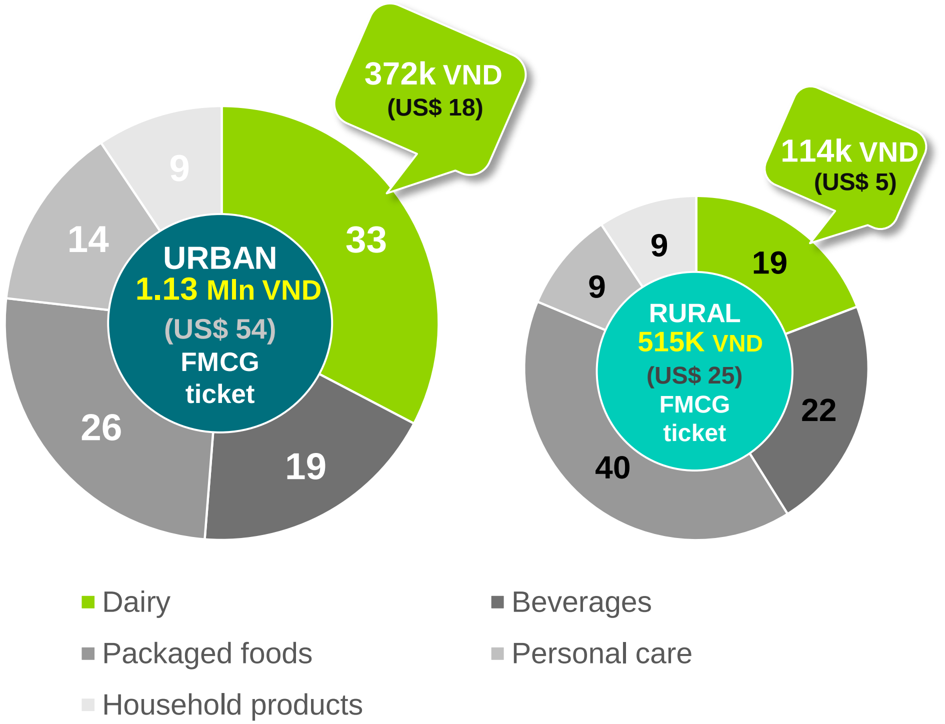
VIETNAM DAIRY MARKET
THE HOTTEST IN THE REGION!

2012 vs. 2011



MONTHLY TICKET

Dairy ranks 1st in FMCG wallet of Urban families and 3rd in Rural



Source: Kantar Worldpanel – FMCG excluding Gift

KEY MESSAGES

1. DOMESTIC DEMANDS REMAIN LOW
2. ALARMING FMCG SLOW-DOWN IN BOTH URBAN AND RURAL
3. SLOW GROWTH ACROSS KEY CHANNELS – H+S LESS APPEALING WHILE MINI STORES EXPANDING
4. HOT CATEGORIES: FUNCTIONAL DRINKING YOGHURT IN URBAN & CUP YOGHURT IN RURAL
5. VIETNAM DAIRY MARKET: THE MILKY OPPORTUNITIES

About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organisations globally.

With over 60 years' experience, a team of 3,500, and services covering more than 55 countries directly or through partners, Kantar Worldpanel delivers High Definition Inspiration™ in fields as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

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