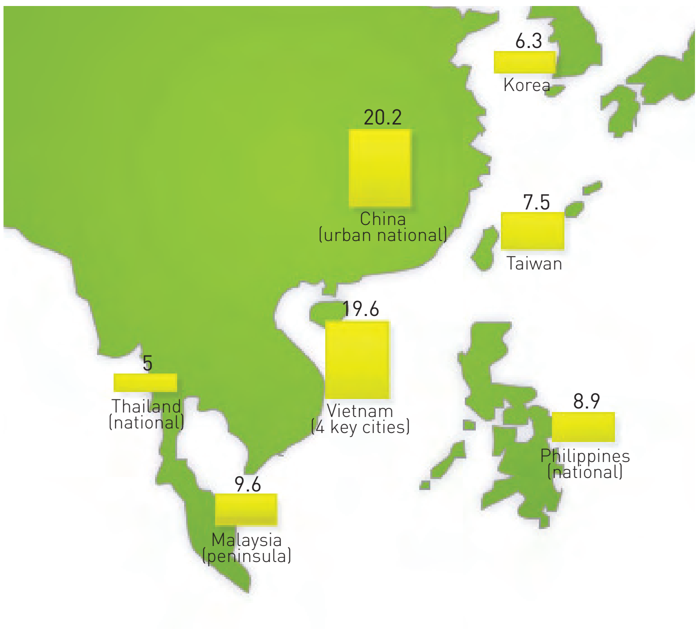
Consumer Index

WELCOME TO CONSUMER INDEX

FMCG Trends % Value Changes



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.

- According to Bank of America Merill Lynch, the domestic demand in Southeast Asia is projected to become more and more important in the second half of 2011, this is driven mainly by increased investment in the region following a slow down at a global level.

- In China, modern trade (hypermarkets, supermarkets and convenience stores) kept growing, especially in key cities like Beijing, Shanghai, Guangzhou and Chengdu.

- In Korea, beverages, while holding the smallest presence in the total FMCG market, noted a strong growth of 22.2% with more people willing to invest in health-conscious eating habits and high-end drinking choices.

- In Malaysia's non-food segment, the liquid format became a popular choice amongst Malaysian households over past three years for dish washing, soap and detergents. However, the growth trend slowed down this year, which might implicate a saturation of the market.

- In the Philippines, the biggest gainers for this particular season were the food categories which posted a whopping 15% increase. This could be due to the fact that food, being a staple necessity, was the only category that could afford price increases.

- In Taiwan, the plasticizer event in May influenced consumers' shopping habits related to beverages and health foods, and was estimated to cause a NTD $8 billions decrease.

- In Thailand, the key driving category behind the FMCG growth was personal care with a higher spend per trip, the main factors being promotional campaigns for baby diaper products and the emergence of the men facial skincare sector this quarter.

- In Vietnam, the modern trade shopping trend was getting hot as it grew fast and attained a robust expansion within FMCG retailing the previous year. It was driven by the rapid development of hyper and supermarkets.

The data used for this issue runs up to Quarter 2, 2011 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@kantarworldpanel.com

Best regards,

MARCY KOU
Managing Director
Worldpanel Asia

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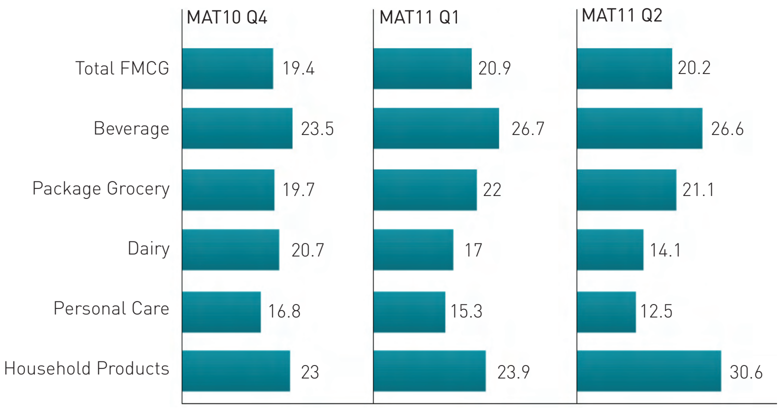
CHINA
Quarter 2 2011

CHINA

CATEGORY VALUE % change vs previous year in value



KEY ECONOMIC INDICATORS

China's second quarter GDP increased by 9.5% over the same period a year ago, total retail sales of consumer goods reached RMB 1.5 trillion in June, rising 17.7% on an annual basis.

As a key inflation gauge, the consumer price index (CPI) rose 6.4% in June, recording a three-year high. Food prices rose 14.4% year-over-year, meat and poultry prices even 32.3% and pork a soaring 57.1%.

Exports rose 17.9% in June from a year earlier to a monthly record high of $US161.98 billion, while imports rose 19.3% in June from a year earlier to $US139.7 billion.

CATEGORY TRENDS

FMCG spending in national urban China increased by 20.2% at the end of the second quarter 2011.Household products had the strongest growth of 30.6% compared to last year. Beverage products followed closely with growth rate of 26.6%.

Household product growth was driven by laundry and tissues. The value of toilet tissue sales increased by 40% due to higher prices, while laundry's increase was mainly due to the growth of the liquid market.

Alcoholic beverages are the driving force within the beverages sector. Chinese spirit contributed most to this growth due to soaring prices.

The value of toilet tissue sales increased by 40% due to higher prices.

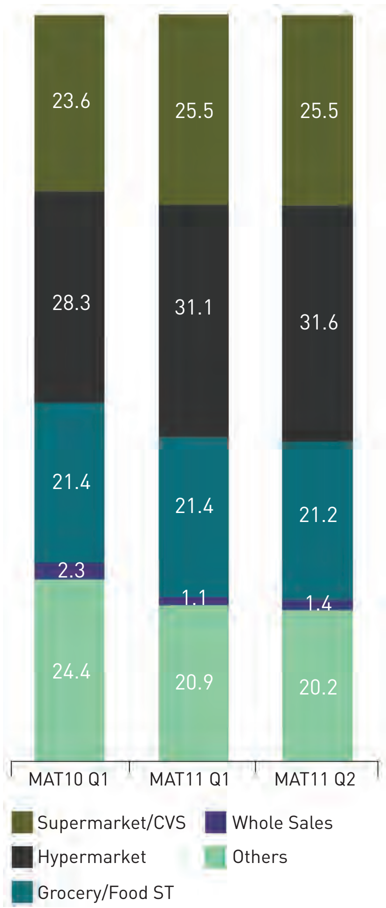
RETAIL LANDSCAPE

In Q2 modern trade (hypermarkets, supermarkets and convenience stores) kept growing, especially in key cities like Beijing, Shanghai, Guangzhou and Chengdu, where the concentration level of the key retailers is much higher than in other cities. Grocery and other traditional channels are still very important in China with a 17% value increase year-on-year.

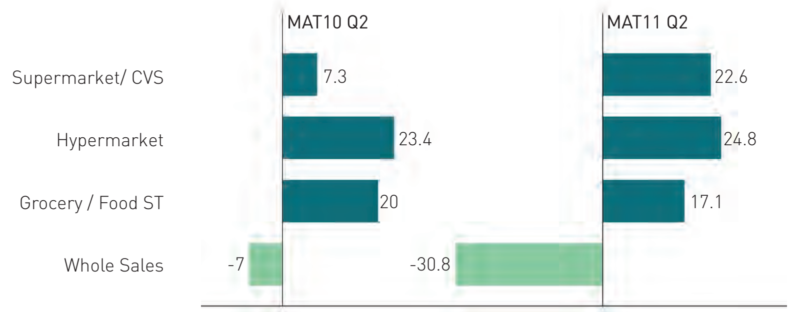
Hypermarkets registered a 25% growth rate. The top five retailers' value share is 24.6% of modern trade for urban china. In the second quarter, hypermarket chain RT-mart still lead the race against Wal-Mart and Carrefour.

*Source: National Bureau of Statistics of China, July 2011

TRADE CHANNEL TREND
Value Shares %



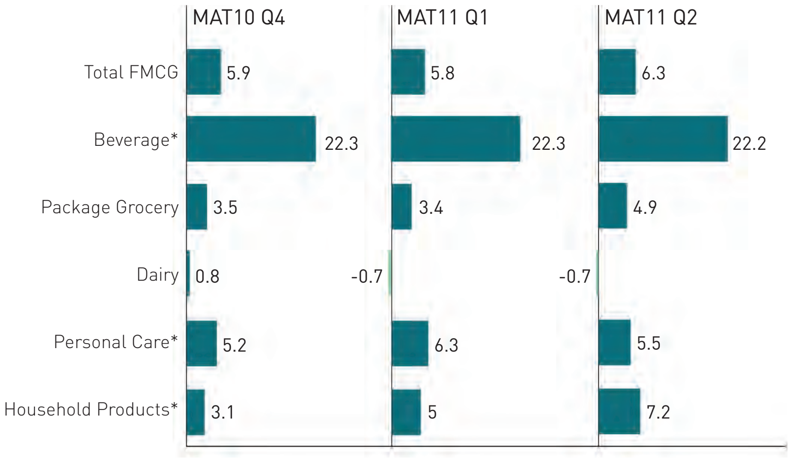
TRADE CHANNEL TREND % value change vs previous year



"Based only on products purchased by the households, gifting and free samples are excluded"

KOREA
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The FMCG market grew by 6.3% in MAT 11Q2, a rate holding relatively stable since MAT 10Q4. The growth seemed to have somewhat picked up in the non-food related categories like household products. Among the food related categories, dairy continued to stagnate and packaged groceries posted a relatively slow growth. Beverages, while holding the smallest presence in the total FMCG market, noted a strong growth of 22.2% with more people willing to invest in health-conscious eating habits and high-end drinking choices.

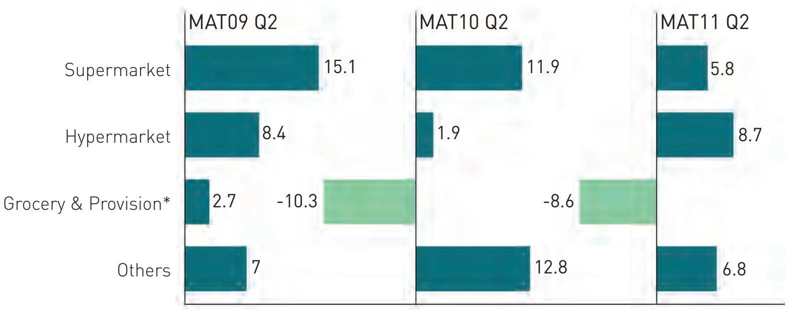
Climate changes in Korea seemed to have had an effect on the household products market with a boost of fabric deodorizers and dehumidifiers (34.8% and 42.5% respectively). Personal care products shampoos and body moisturizers showed a steady growth of 18.4% and 17.3%, respectively on the back of the trade-up trend particularly prevalent across individual-use categories.

RETAIL LANDSCAPE

The two leading modern trade outlets, hypermarkets and supermarkets held their grounds with a channel importance of 30.2% and 23.3% in MAT 11Q2.

Unique to Korea was the relatively large share of the other channels, comprising of Internet, delivery, department stores, traditional markets and others. The continuing development of these channels was the reflection of the fact that Korean consumers are growing more sophisticated. They shopped around and chose the channels that best met their needs. Lotte Mart's continuing growth was partially related to the retailer's aggressive marketing activities like promotions for packaged groceries and beverages; in Costco, purchase bulk-ups were especially noticeable.

TRADE CHANNEL TREND % value change vs previous year

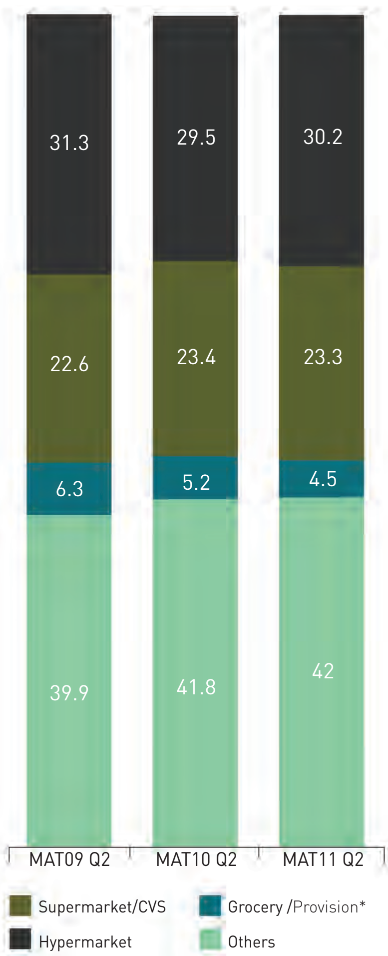


KEY ECONOMIC INDICATORS

In the 2nd quarter of 2011, the Korean economy showed signs of slowing down with the real GDP's year-on-year growth at 3.4% and quarter-on-quarter growth at 0.8%. The slowdown was attributed to the export stagnation and a contraction of the manufacturing and service sectors. Private consumption growth, however, increased by 1.0%.
Part of the economic slowdown was related to the high inflation. Korea's consumer price index had been above 4% for six straight months through to June, when it accelerated to 4.4% from the previous year amid more expensive food and transportation costs. The Bank of Korea recently raised the base interest rate to 3.25% as a roadblock to this trend.

Climate changes in Korea seemed to have had an effect on the household products market with a boost of fabric deodorizers and dehumidifiers (34.8% and 42.5% respectively).

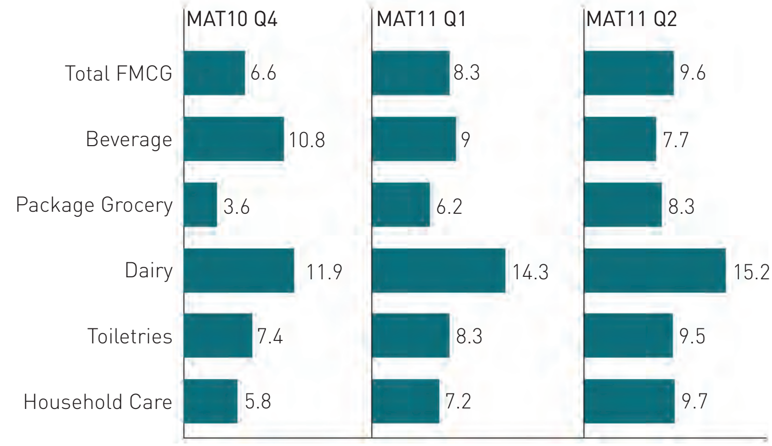
TRADE CHANNEL TREND
Value Shares %



* Grocery and Provision = Mom & Pop Stores

MALAYSIA
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



KEY ECONOMIC INDICATORS

GDP growth for the second quarter is expected to grow between 3.5% and 4% due to a global soft patch with manufacturing and exports weighing down.

Inflation rose to 3.5% during MAT June 2011 due to a higher cost of food, particularly for commodities such as sugar, eggs and cooking oil. The government reduction of subsidies on diesel, petrol and gas also contributed to the increased Consumer Price Index, and a further reduction is expected in 2011.

At present, Malaysia has a population of approximately 27 million; of which 10% are aged 60 years and above. Due to low birth rates this figure is expected to rise to 15% by 2030.

> Hypermarkets and supermarkets grew notably well this year, especially in the latest six months at an astounding 13%.

CATEGORY TRENDS

The total FMCG value recorded an expected 4% decline over the previous quarter, as especially cold beverage levels normalized following the Chinese New Year peak.

On an annual comparison, packaged groceries grew by 8% driven by both inflation and the increase in consumer spending. Notable increases observed were amongst staples, frozen food, cooking sauces and cooking oil. The impulse category also showed initial signs of recovery, with ice cream performing 4% better this year.

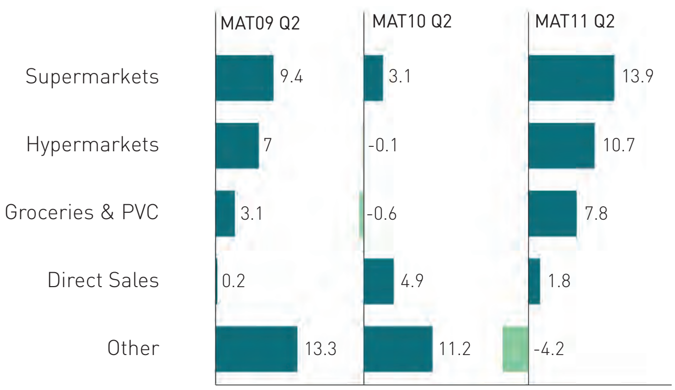
In the non-food segment, the liquid format became a popular choice amongst Malaysian households over past three years for dish washing, soap and detergents. However, the growth trend slowed down this year, which might implicate a saturation of the market.

RETAIL LANDSCAPE

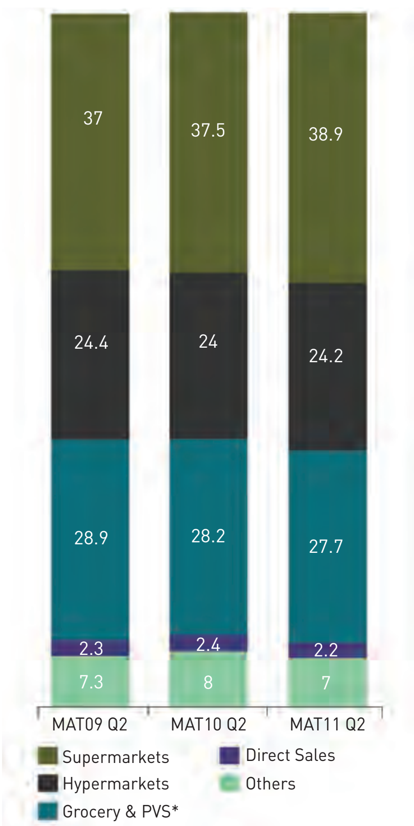
Hypermarkets and supermarkets grew notably well this year, especially in the latest six months at an astounding 13%.

Tesco is the fastest growing retailer in hypermarkets. However, the supermarket competition also remained stiff with aggressive local retailers such as 99 Speedmart, Econsave and Mydin driving the growth of the supermarkets. Evidently, supermarkets have been increasing their promotions and store expansions, which triggered more purchases, making households more selective in their purchases of growing up milk powder, rice, tooth paste and powder detergents.

TRADE CHANNEL TREND % value change vs previous year



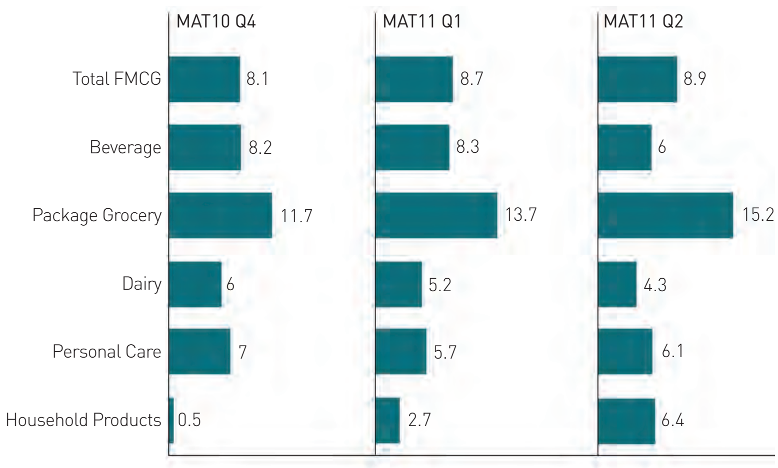
TRADE CHANNEL TREND
Value Shares %



*incl. convenience stores

PHILIPPINES
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



Biggest gainers for this particular season were the food categories which posted a whopping 15% increase. This could be due to the fact that food, being a staple necessity, was the only category that could afford price increases. They led to increased spending for cooking products such as cooking oil and sugar by 23%, sinigang mixes at 7%, meal flavorings at 17%, soy sauce at 10%, vinegar at 10%, and pasta sauce at 9%, as well as for picnic categories such as biscuits at 14%. With so many products competing for their share of throat, manufacturers resorted to "cut-throat" competition.

RETAIL LANDSCAPE

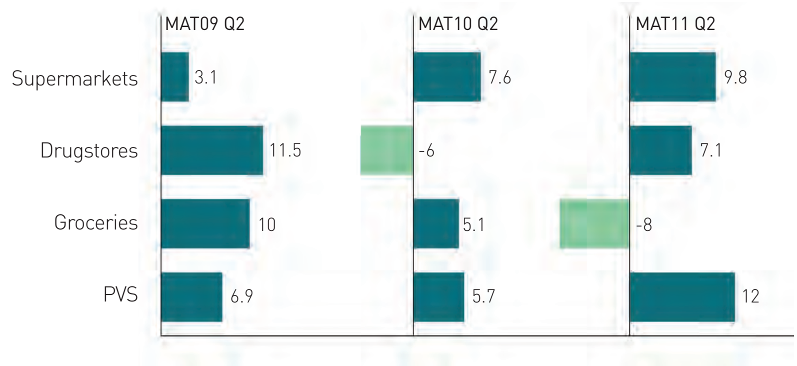
Provision stores, forming 54% of Filipino's FMCG spending, continued to drive the scene. Food and personal care lead the growth in this particular channel.

Supermarkets, on the other hand, continued their momentum in the Philippines growing spending by 10% year-on-year and widening their reach, penetrating 81% of homes from 79% last year. Aside from the continuous expansion of supermarkets, what could be working for this channel was a decrease in price as more and more promos on big packs were introduced.

The top five key retailers in the Philippines, accounting for 11% of the FMCG spending, likewise experience healthy sales. SM, which is one of the biggest accounts, grew sales by 10% and was successful in encouraging a phenomenal spending increase in the household care and food sectors at 20% and 14% respectively. This account also continued to widen its reach attracting 25% of all homes in the latest year. Other accounts like Robinsons and Puregold continued to excite the market with the fastest gains across all top retailers. Both of these accounts were also successful in attracting more and more buyers to their stores. Mercury Drug, the leading drug store, also posted growth, but this was merely driven by price increases.

With Filipinos becoming more and more exposed to modern trade, grocery stores are now starting to feel the pain.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

The government expressed much optimism that the Philippines will recover in the second quarter of the year. This was driven by increased investments seen for the year and attempts to push government spending.

The year-to-date June inflation stood at 4.7% as higher annual price increments were seen for alcoholic beverages and tobacco; clothing and footwear; housing, water, electricity, gas and transport to name just a few. The inflation a year ago was 3.6%.

CATEGORY TRENDS

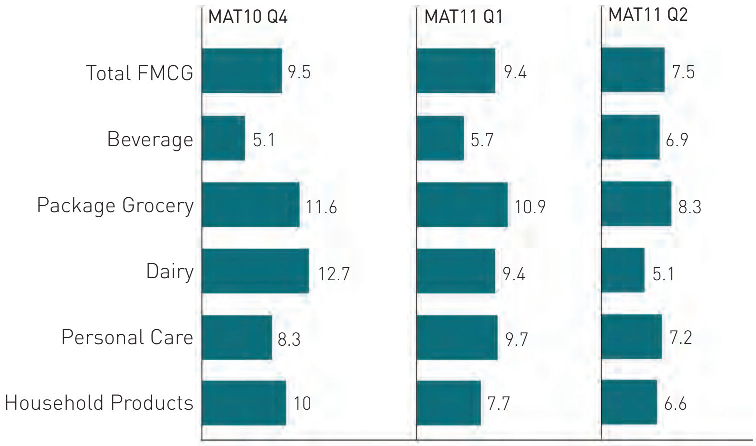
The annual FMCG spending of Filipinos surged by 9% as the summer season hit. Atypically though, there appeared to be a slower growth in the beverage sector at just 6%. While, as Filipinos can't seem to live without proper grooming, they just maintained their spending of personal care products with the aid of affordable offerings. Household care, on the other hand, rebounded from last year's dip.

Household care, on the other hand, rebounded from last year's dip.

TRADE CHANNEL TREND
Value Shares %

TAIWAN
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



Within the personal care sector, facial skincare, hair care and make up contributed to almost 70% of the sales value growth as the high tier products like derma or Japanese brands became more popular.

The beverages sector experienced a higher growth rate (6.9%) than in the last two quarters due to extremely hot weather. Non carbonated drinks took the most credit of this sector's growth. However, energy and sports drink didn't catch the trend and just maintained their stable value compared to last year because of the effect of the plasticizer event.

RETAIL LANDSCAPE

Hypermarkets, Taiwan's most important channel, reported a value growth of 5.8% compared to last year, while slightly declining in channel importance from 26.2% to 25.4%. Carrefour and RT-mart underperformed against other hypermarkets in terms of growth rates, while Costco enjoyed a double-digit growth thanks to its aggressive recruitment and selected high quality products.

PX-mart in National Coop continued to show visible growth of 18.3% in value, with a 1% gain in channel importance. An uplift both in buyer base and demand contributed to its growth.

The main players in convenience stores, 7-Eleven and Family Mart, performed well in attracting buyers and increasing buyers' spending, leading to a thrive of the overall convenient store channel. Drug stores also experienced a double-digit growth in value, mostly driven by the price hike of milk powder and a strong demand for healthy food and skincare brands

KEY ECONOMIC INDICATORS

The advance estimate of the Q2 2011 GDP growth rate was 4.9%, 0.2% higher than forecasted in May. The growth benefitted from high demand from abroad and increasing domestic employment numbers. However, the plasticizer event in May influenced consumers' shopping habits related to beverages and health foods, and was estimated to cause a NTD $8 billions decrease.

The second quarter's Consumer Price Index was 1.9% higher than in 2010. The main factor for this increase was the high demand of fresh fruits, growing by 21.3% due to the plasticizer event.
The unemployment rate in Q2 was 4.4%, much improved since last year following the continuous economic recovery.

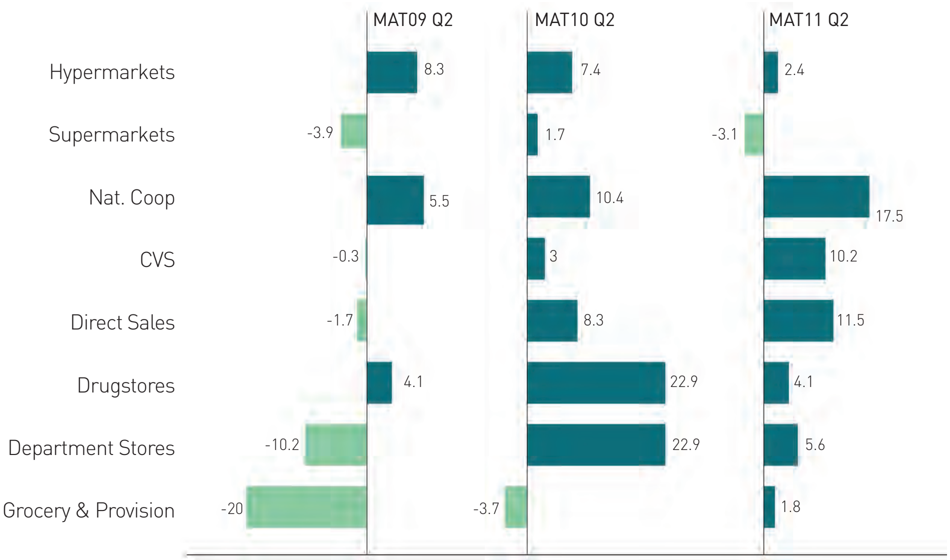
CATEGORY TRENDS

Taiwan's FMCG market grew 7.5% in value compared to last year. Package groceries and personal care products continued their momentum and outperformed the rest of the market in terms of value growth.

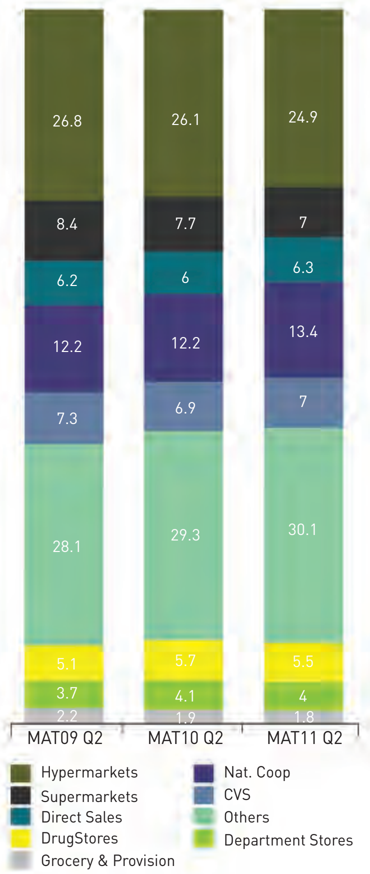
Package groceries had grown by 8.3% in value, mainly driven by essence of chicken which enjoyed 13.4% growth rate due to both buyer base expansion and rising demand.

Within the personal care sector, facial skincare, hair care and make up contributed to almost 70% of the sales value growth as the high tier products like derma or Japanese brands became more popular.

TRADE CHANNEL TREND % value change vs previous year

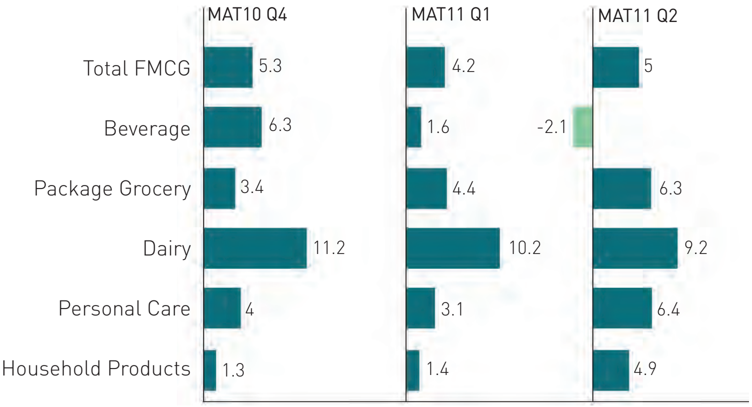


TRADE CHANNEL TREND
Value Shares %



THAILAND
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



KEY ECONOMIC INDICATORS

Thailand's GDP may exceed the previous forecast range of 3.5% to 4.5% according to National Economic and Social Development Board (NESDB). The economy in May 2011 continued to expand on the support of robust consumption and investment levels, as well as strong external demand upholding export and tourism sectors according to the Bank of Thailand (BOT).

An increase in energy prices has led the headline inflation to rise by 4.2% compared to a year ago. Meanwhile, core inflation rose by 2.5% from a gradual pass-through of higher production costs.

The tourism sector grew favorably compared to the previous year, with foreign tourist arrivals expanding by 66.5%, and Thailand's unemployment rate in May 2011 remained low at 0.8%.

CATEGORY TRENDS

The total FMCG market started to pick up speed this quarter, as buyers spent more during their shopping trips. Beverage was the only FMCG category recording a drop in value as people made less purchase trips and spent less, especially for carbonated soft drinks and beer. Local beer companies moved their focus towards promoting heavily overseas, e.g. by sponsoring football teams.

The key driving category behind the FMCG growth was personal care with a higher spend per trip, the main factors being promotional campaigns for baby diaper products and the emergence of the men facial skincare sector this quarter.

As for packaged groceries, the growth mainly came from cooking oil that was in shortage at the end of Q1. Dairy product consumption improved from higher trip spending on powder and liquid milk, whereas a higher amount of buyers of bathroom cleaners stimulated the household products' growth.

> The trend towards convenience stores is expected to increase unless traditional trade adjusts its marketing strategy.

RETAIL LANDSCAPE

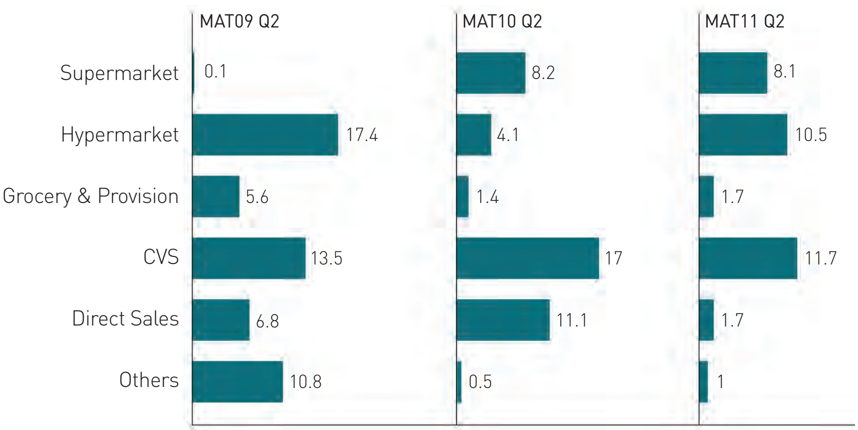
Modern trade continued to grow fast, especially for hypermarkets and convenience stores. New modern trade branches (like Tesco and Big C) have been opened both in urban and rural areas and stole buyers from grocery and provision stores worth around half a billion Baht in sales, offering more variety, positioning themselves as providing more value and "bringing development" to rural zones. Most of the categories show doubled growth rates both in volume and value, since buyers spent more and increased shopping occasions by one trip.

Grocery and provision store shoppers worth approximately 850 million Baht in sales have also moved towards convenience stores. This trend is expected to increase unless traditional trade adjusts its marketing strategy. Convenience stores continue to grow from store expansions and their growth is reflected by all FMCG categories, especially personal care with shampoo, facial moisturizers and toothpaste gaining more buyers.

TRADE CHANNEL TREND
Value Shares %

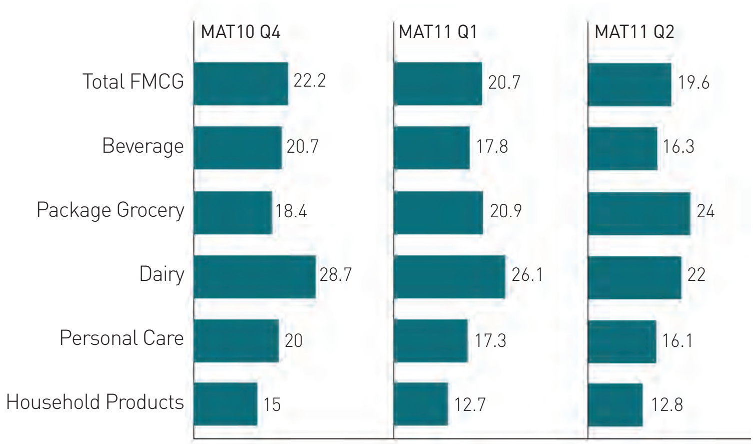
* including drug stores & department stores

TRADE CHANNEL TREND % value change vs previous year



VIETNAM
Quarter 2 2011

CATEGORY VALUE % change vs previous year in value



CATEGORY TRENDS

The total Fast Moving Consumer Goods market in MAT Q2 2011 maintained a value growth of 20%. Yet, the average price hike seemed to exert an influence and put the brake on the value and volume expansion of most FMCG sectors over recent quarters. Some major categories of non-food sectors such as shampoo, toothpaste, laundry, fabric softener and liquid dish washing initiated a slight drop of consumer consumption in MAT Q2 2011 versus one year ago.

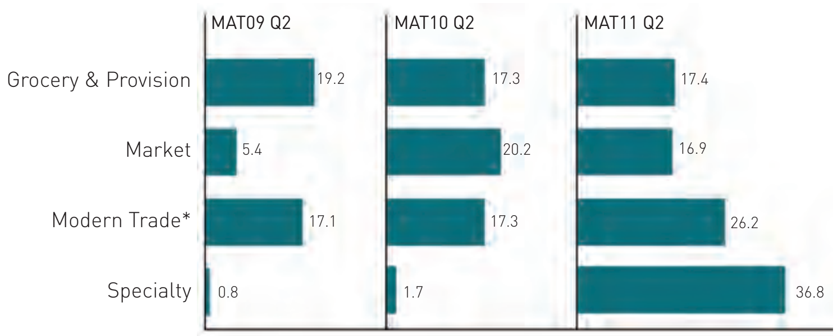
On the other hand, package grocery, with the strongest price upsurge, drove the consumer spending uplift and gained a more important part of the Vietnamese FMCG share of wallet. Cooking additives are among the top spending priorities of urban households these days even at their stable consumption. Dairy products, particularly liquid milk and cup yoghurt, continued to hit two-digit growth rates in terms of spending and consumption thanks to developed purchase habits of urban consumers.

RETAIL LANDSCAPE

The modern trade shopping trend was getting hot as it grew fast and attained a robust expansion within FMCG retailing in MAT Q2 2011 versus the previous year. It was driven by the rapid development of hyper and supermarkets, which was contributed mainly by Coopmart and Big C – two key accounts holding three quarters of the FMCG value purchased through hyper and supermarkets.

The modern trade landscape is still expected to become more and more dynamic in a near future with the chain expansion plans of these key accounts in the next five years. As the largest supermarket chain in Vietnam, Coopmart plans to have 100 supermarkets by 2015. Meanwhile Big C is ambitious to reach 29 stores by 2013.

TRADE CHANNEL TREND % value change vs previous year



KEY ECONOMIC INDICATORS

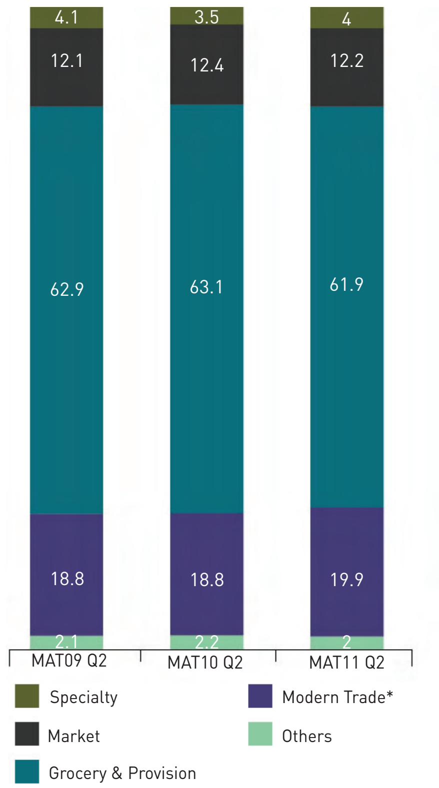
In the second quarter of 2011, Vietnam achieved a GDP growth of 5.7% year-on-year, a gradual recovery from the first quarter growth pace of 5.4%. However, Vietnam's economic growth slightly eased at 5.6% in the first half of this year, compared to 6.2% in the same period last year.

This slowdown was caused by government and central bank efforts to curb inflation, trim public investment, boost domestic production and rebalance trade.

Inflation still remained swelling at 20.8% against June 2010 and at 16.3% against the first half of 2010, posing a big challenge to the country.

Dairy products, particularly liquid milk and cup yoghurt, continued to hit two-digit growth rates thanks to constant developing purchase habits of urban consumers.

TRADE CHANNEL TREND
Value Shares %



* Department Store, Hyper Super, Minimarket, Direct Sales & 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) *Note: China includes 24 hours opening convenient stores in Supermarket.*
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.

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