Taiwan FMCG Monitor

2014 Quarter 2

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2014 Q2 KEY ECONOMICS INDICATORS – VS. A YEAR AGO

+3.84% GDP

+1.64% CPI

3.92% Unemployment rate June

+1% Total FMCG

- The recent macro economy index is promising a stable and steady future growth, with Taiwan FMCG market also showing bounce back from last year's downturn.
- Food category is finally starting to rid itself of the food safety impact from last year, with cooking-related products rebounding in Q2, however instant food continued to decline. Non-food category is driven by Personal Care, while Household sector remained flat.
- Costco's growth is still strong. The importance of PX and CVS may be affected by decreased shelf space due to the expansion of fresh food area, causing the performance of other FMCG goods to dminish

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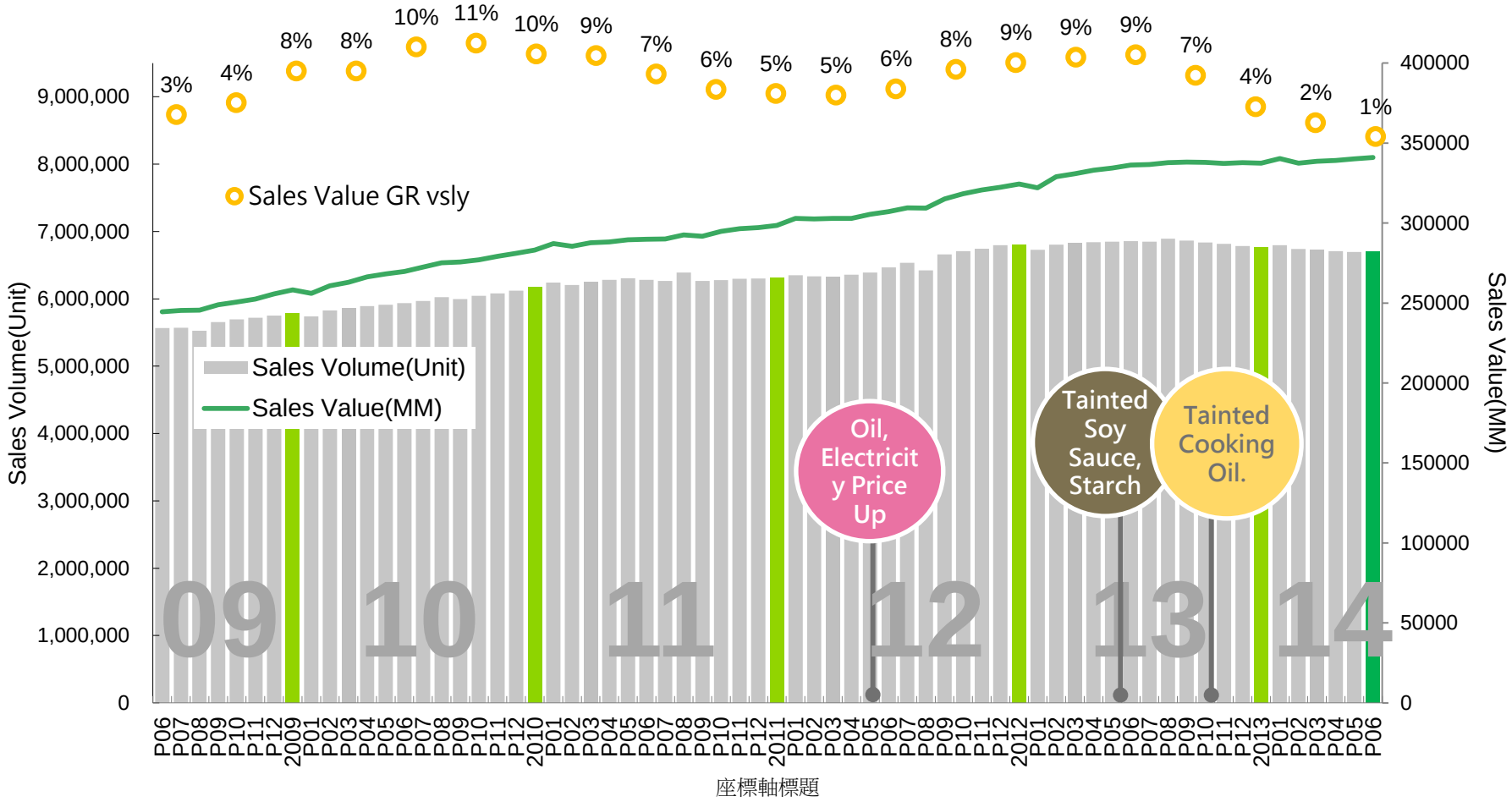
TAIWAN TOTAL FMCG 52 WEEK ROLLING EVOLUTION

The annual market demand is not as strong compare to the past, mainly due to the recession in food categories, but some categories is rebounding on their short term performance. The total market is expected to show better recovery in the second half of the year.

VSLY

+1% Spending GR

-2% Unit GR



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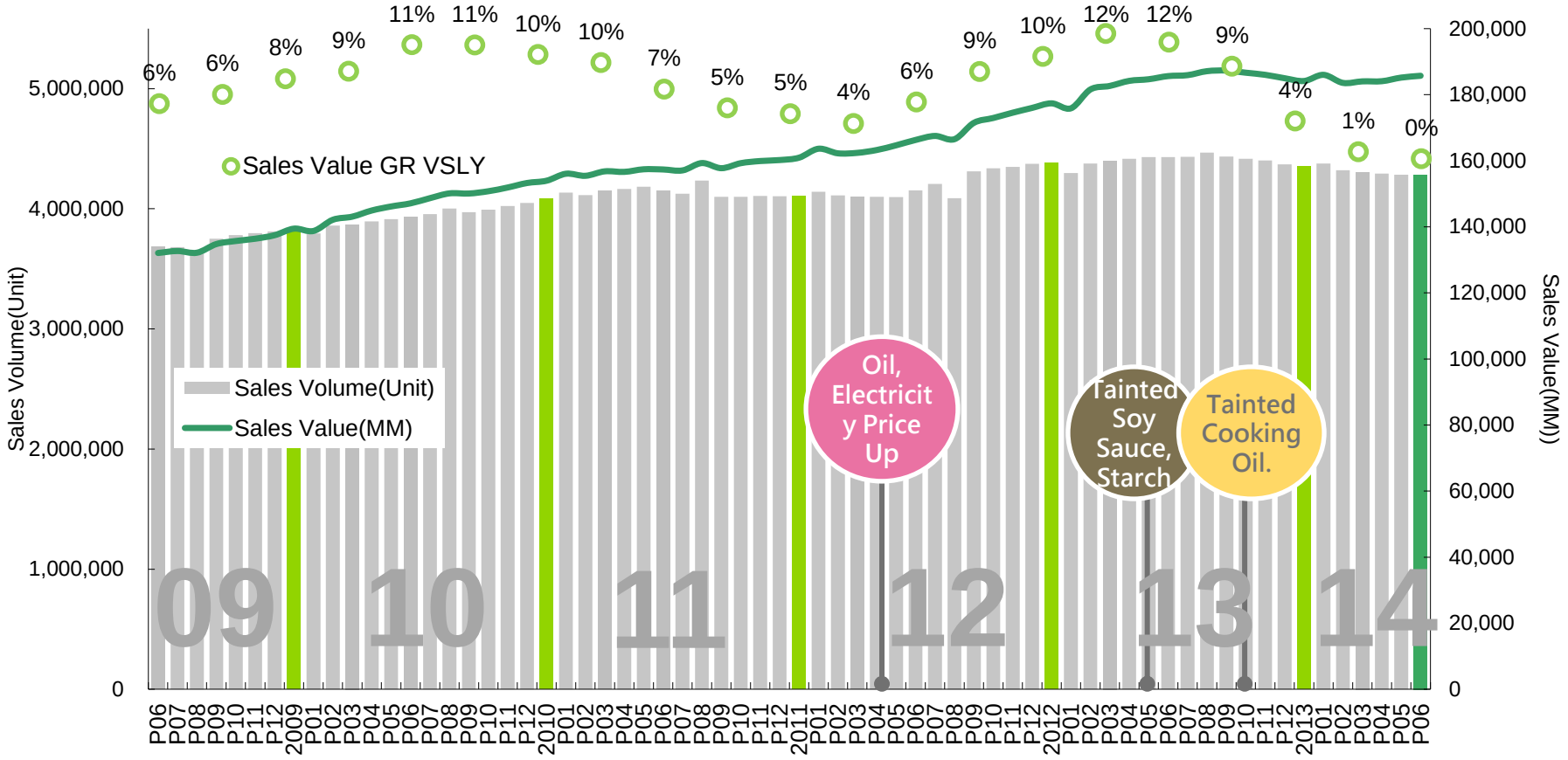
TAIWAN FOOD CATEGORY 52 WEEK ROLLING EVOLUTION

VSLY

+0.1% Spending GR

-3% Unit GR

After two consecutive quarters of recession, cooking necessities has returned to previous performance level. In the short-term trend, food demand in Q2 rebounded, and is expected to improve gradually.



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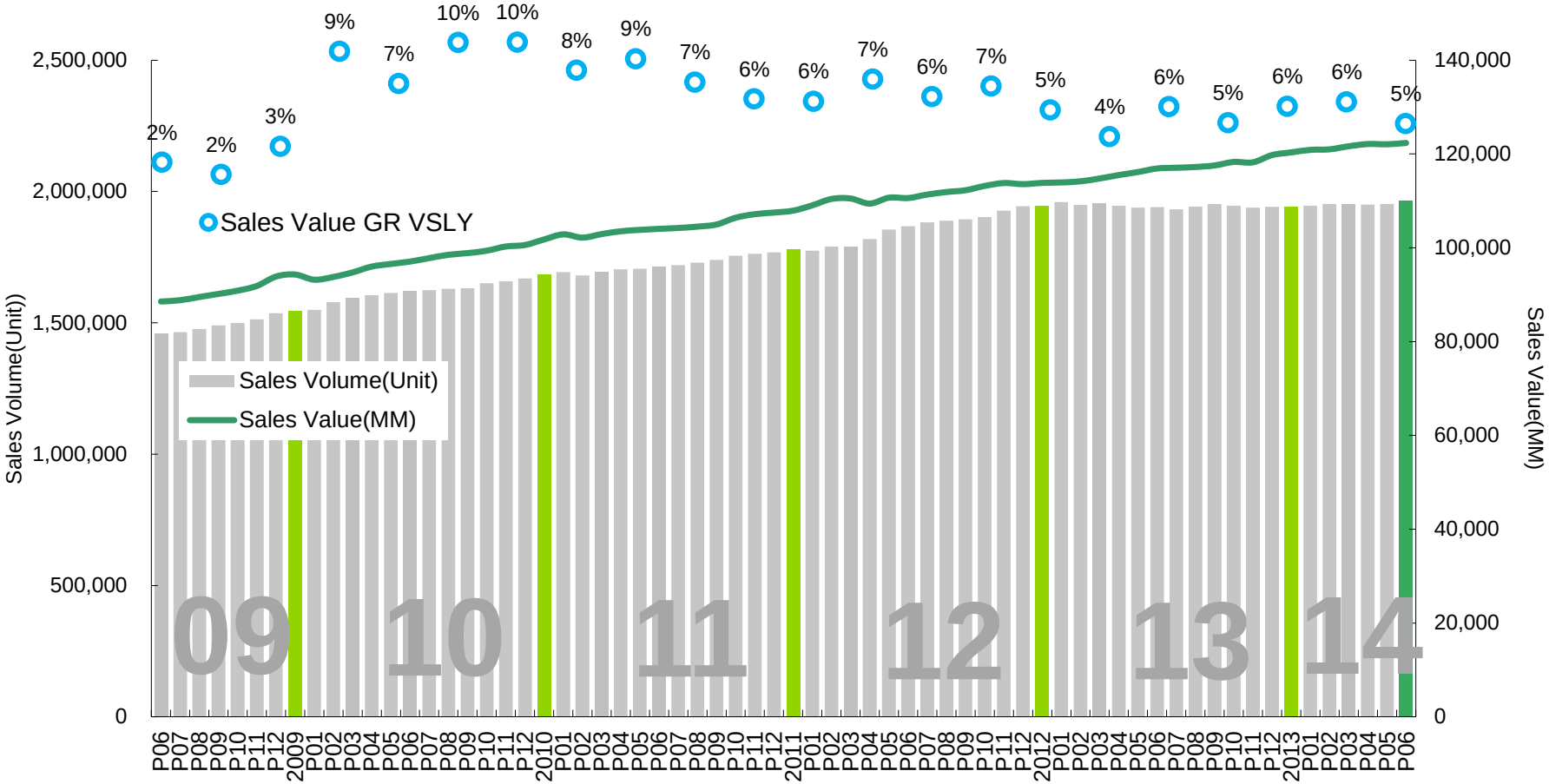
TAIWAN NON-FOOD CATEGORY 52 WEEK ROLLING EVOLUTION

Non-food market maintain its growth. Although Personal Care remained strong, Household sector is stagnating, thus there is no significant growth in non-food category.

+5% Spending GR

+1% Unit GR

VSLY



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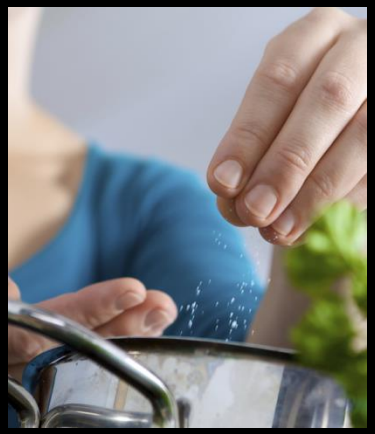
FOOD CATEGORIES

COOKING-RELATED



INSTANT FOOD

ADULT MP

INSTANT TEA

TEA TO-GO

Growth>5% -0.5%<Growth<5% Growth<-0.5%

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NON-FOOD CATEGORIES

HAIR CARE

MAKEUP

ORAL CARE

HOUSEHOLD SUPPLIES

Growth>5% -0.5%<Growth<5% Growth<-0.5%

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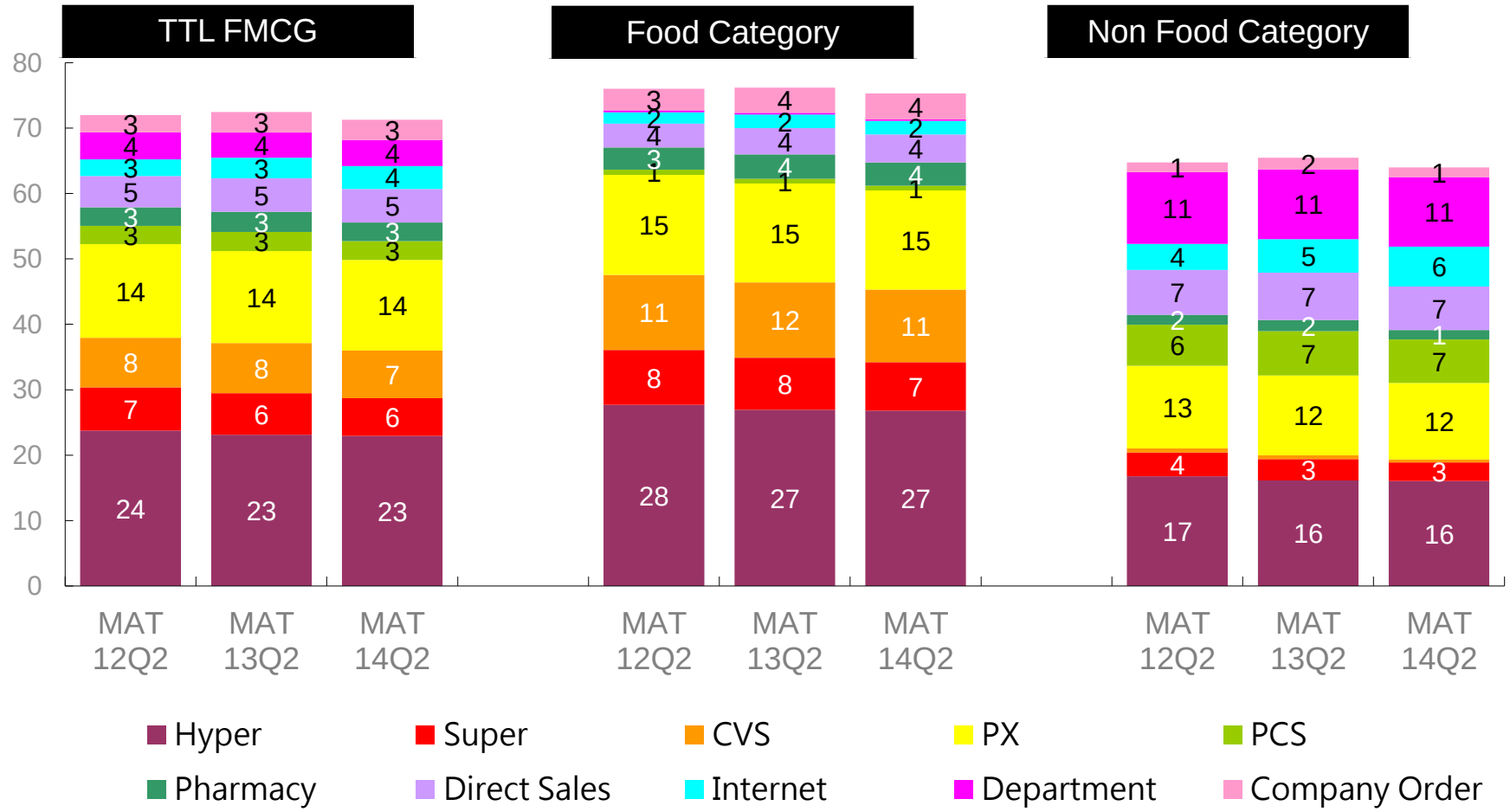
KEY CHANNEL SNAPSHOT – VALUE %

The importance of CVS declined, while Internet grew strongly in non-food.



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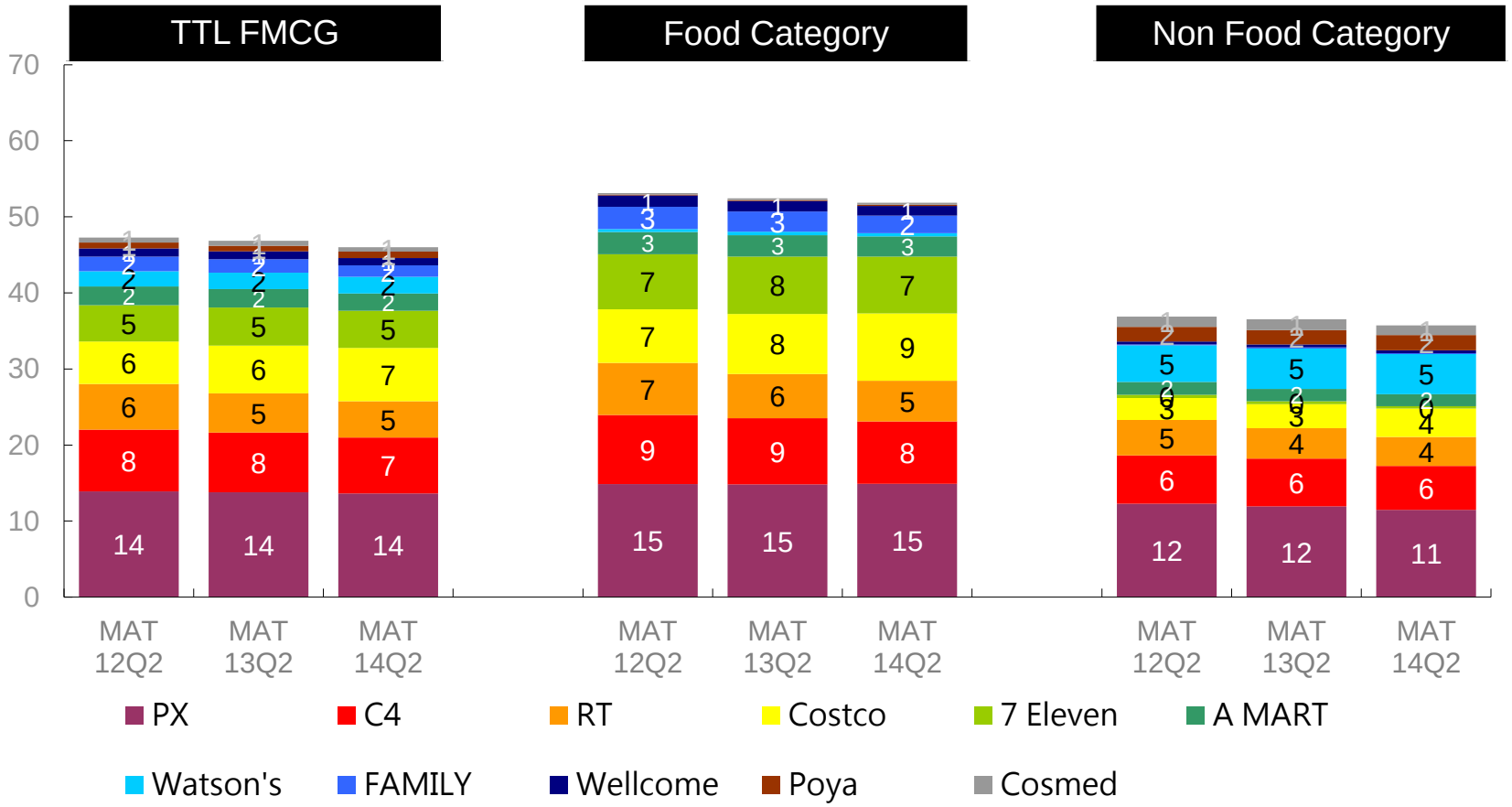
KEY CHANNEL SNAPSHOT – VALUE %

Costco's growth trend still exists, the importance of RT dropped in 3 consecutive quarters. In CVS, the importance of 7 Eleven and FAMILY both fall. PX's proportion in non-food declined.



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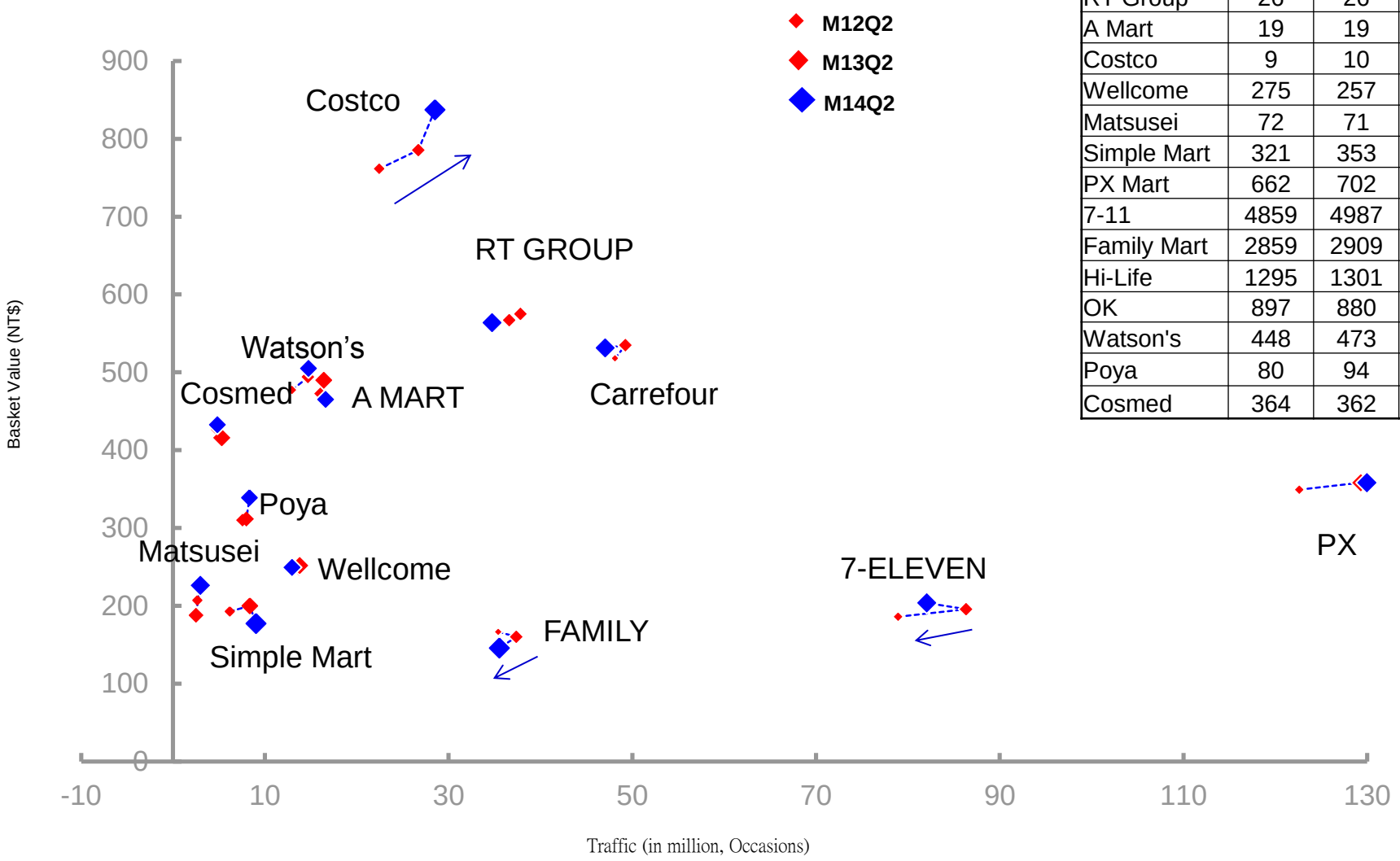
RETAILER HEALTH – TRAFFIC vs. BASKET VALUE



Store Number	M13Q2	M14Q2	GR%
Carrefour	62	62	+0%
RT Group	26	26	+0%
A Mart	19	19	+0%
Costco	9	10	+11%
Wellcome	275	257	-7%
Matsusei	72	71	-1%
Simple Mart	321	353	+10%
PX Mart	662	702	+6%
7-11	4859	4987	+3%
Family Mart	2859	2909	+2%
Hi-Life	1295	1301	+0%
OK	897	880	-2%
Watson's	448	473	+6%
Poya	80	94	+18%
Cosmed	364	362	-1%

Source: Kantar Worldpanel Taiwan Household Panel

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