The Nielsen Company
55 Newton Road, #15-01 Revenue House
Singapore 307987
www.nielsen.com
The Nielsen Company

News Release

CONTACT(S)
Seraphina Wee
Tel: 6355 5707
Email. seraphina.wee@nielsen.com

FOR IMMEDIATE RELEASE

FRESH FOOD PRODUCTS ENJOYING STRONG GAINS AS IN-HOME DINING TRENDS PICK UP DURING BELT TIGHTENING TIMES: NIELSEN

AVERAGE HOUSEHOLD EXPENDITURE IN SINGAPORE ESCALATES AS A RESULT OF HOME COOKING AND INFLATION

Singapore, 25 May 2009: Even with an economic recession in full swing and consumers increasingly watchful of their spending habits, it's not all gloom and doom for at least one sector which appears to be benefiting from these belt tightening times. As consumers feel the pinch of rising costs, more are opting for home cooked meals instead of dining-out, resulting in the average Singapore home spending more on fresh food, groceries, and household items, according to a ShopperTrends report released today by The Nielsen Company, Singapore.

"Comparing findings of the latest Nielsen ShopperTrends report with the previous year's, the average monthly household expenditure has increased by 14 percent, in part driven by higher food prices and an increased incidence of home cooking in a bid to cut down on out of home dining expenses. Fresh food spend, in particular, registered an average growth of 15 percent across households in Singapore, with the biggest jump being reflected amongst the high income households (+27%)", commented Ms Ooi Pin Pin, Associate Director, Retailer Services, The Nielsen Company Singapore. (Chart 1)

In the latest Nielsen Global Online Consumer survey, seven in 10 (70%) Singaporeans said they have altered their spending patterns in order to increase household savings, and grocery shopping is apparently one area that is being impacted by the economic crunch. When asked in the ShopperTrends survey how their grocery purchasing habits had changed, the majority (74%) of shoppers indicated that they now *buy only the essentials*, while trailing at a far second came *buying the same product but in lesser quantity*—a behavior adopted by over a third (37%) of shoppers. (Chart 2)

Higher food prices have also led to declining sales of various food products as shoppers tend to be more cautious when it comes to impulse buys. The top three food types shoppers are buying less of are chocolates, carbonated soft drinks, and salty snack food. (Chart 3)

However, the current unfavorable economic situation is, on the other hand, driving growth in other food categories. "While some items are nice–to-haves, there are essential items that we cannot do without. According to Nielsen Retail Index, the list of fastest growing categories in 2008 included staples and dairy products like rice, bread, cheese, butter/margarine, and infant milk," noted Ms Ooi.

Wet markets continue to capture half of all shoppers' share of wallets when it comes to fresh food spend, although recent years have seen a declining trend as supermarkets and hypermarkets grow in popularity. The latest Nielsen Homescan™ figures registered a further nine percent drop in fresh food spend by consumers in wet markets in 2008, on top of a seven percent decline in 2007. (Chart 4)

"Over the last few years, more and more fresh food shoppers are being lured by the wide and increasing range of available live fresh food offered by supermarkets and hypermarkets," observed Ms Ooi. According to our findings, corresponding growths have been registered in fresh food spend in hypermarkets (53%) and supermarkets (8%) in the last one year." (Chart 4)

"Modern day Singaporeans lead hectic lifestyles and are generally tight for time, and convenience is a key driver when deciding where to shop. Supermarkets and hypermarkets meet their needs as shoppers are now able to get all their fresh food, grocery, and household needs under the same roof. Besides, it helps that these places operate longer hours, allowing consumers to shop at a time that's convenient to them," Ms Ooi added.

As consumers remain in belt-tightening mode, the popularity of House Brands continues to flourish. The level of acceptance towards House Brands has gone up to the extent that shoppers are increasingly expecting supermarkets and hypermarkets to provide their own House Brand products. In the 2008 ShopperTrends report, *providing their own brands as good alternative* climbed its way up the ladder from its 17th position in 2007 to 11th position in 2008th as an important factor that influenced shoppers in their grocery store choice. (Chart 5).

About Nielsen ShopperTrends
ShopperTrends is an annual face-to-face survey designed to provide an in-depth understanding of consumer shopping patterns across different trade sectors, from hypermarkets and supermarkets to traditional wet markets and mom and pop shops. It

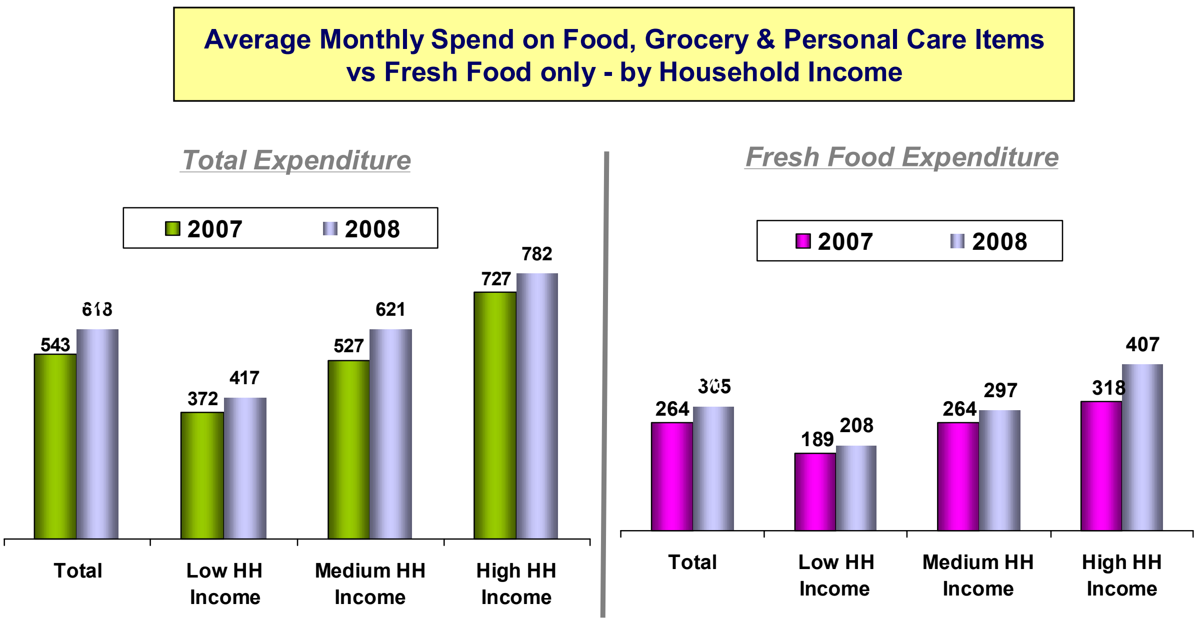
provides information on where, when and how often people visit different outlet types, how they perceive the key retailers, and provides insights into key aspects of shopping behaviour. The latest survey, conducted in September to November 2008, polled shoppers in 55 markets from Europe, Asia Pacific, North America and the Middle East. 1300 interviews were conducted in Singapore.

About Nielsen Homescan™
Nielsen Homescan™ is an in-home scanning based electronic Consumer Panel Service providing continuous measurement of household purchases of products brought into the home. It measures the ongoing consumer purchase behavior and product preferences of participating households, providing insights into purchasing dynamics. The Homescan™ panel in Singapore covers 1,000 households.

About The Nielsen Company
The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit www.nielsen.com.

Chart 1

Big rise in Fresh Food expenditure especially from the high income families



Base: All Main Shoppers and Key Influencers

Chart 2

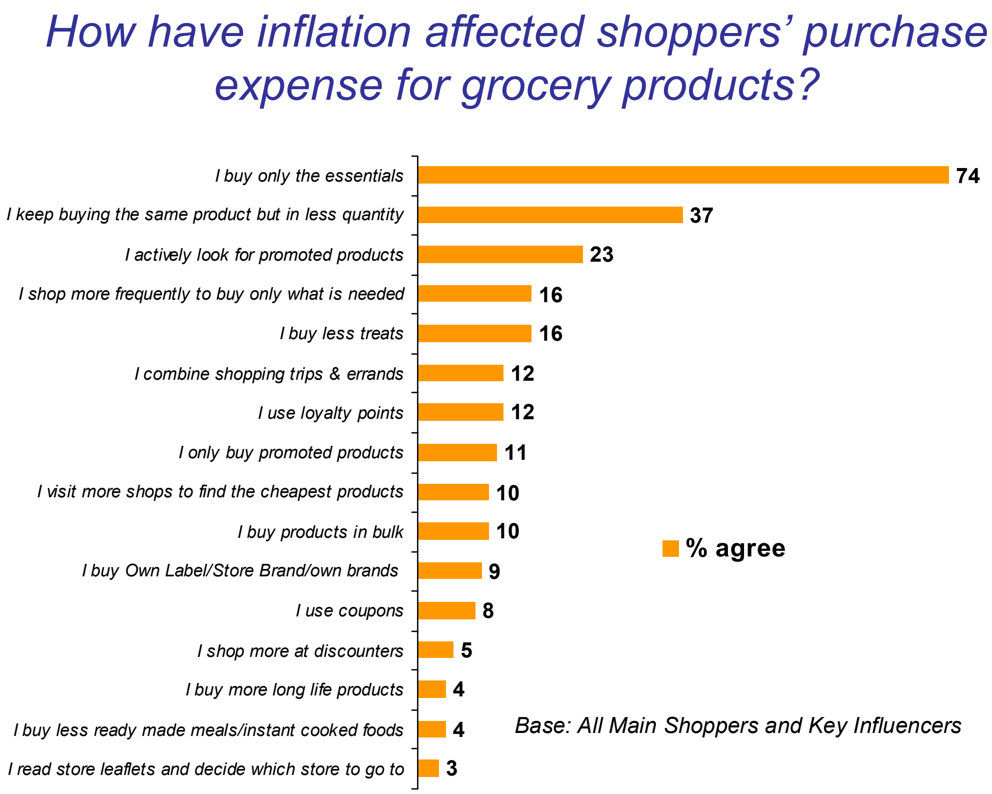
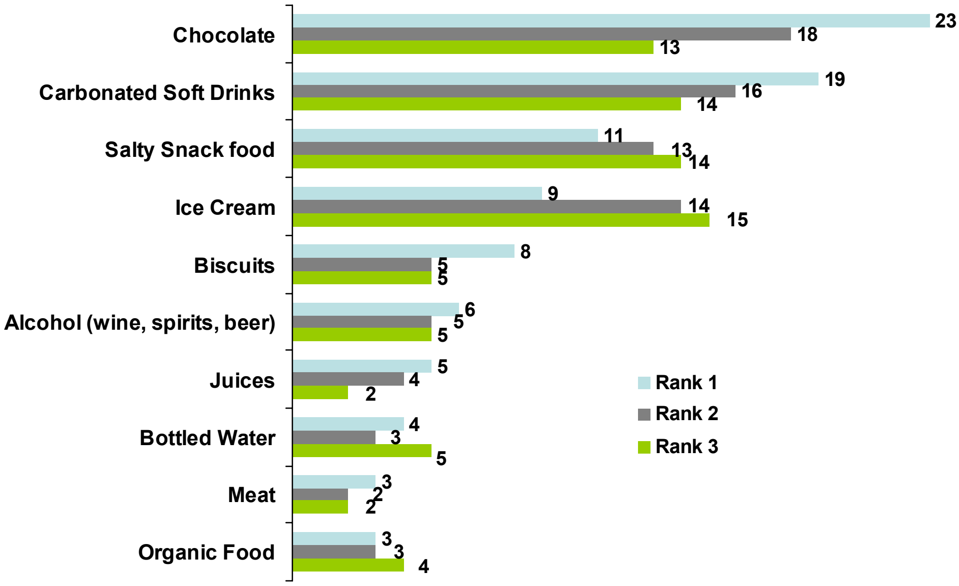


Chart 3:

As the cost of food rises, which of these products would you buy less of? (rank top 3)

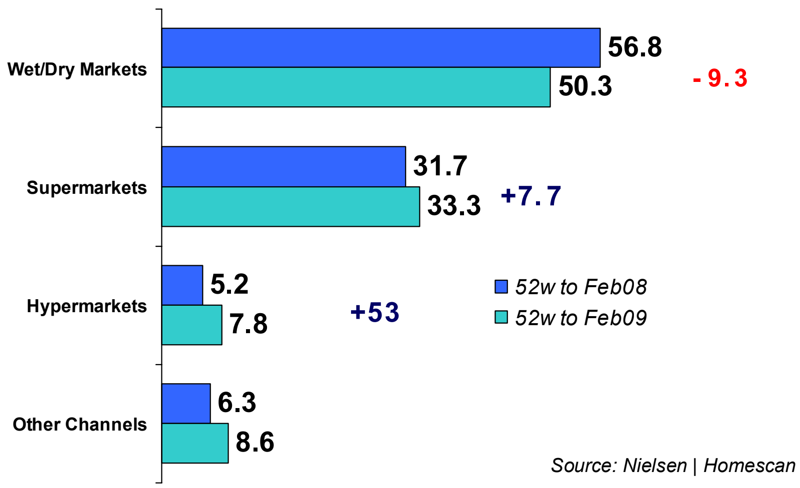


Base: All Main Shoppers and Key Influencers

Chart 4:

Wet Markets still capture 50% share of fresh food spend, although shoppers are increasingly buying from supermarkets and hypermarkets

Fresh Food – Sales Value Share and %Growth



Source: Nielsen | Homescan

Chart 5

Key drivers in shoppers' decision of grocery store to shop at