Press information

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DISCOUNTER BOOM TAILS OFF

(PLUS AN UPDATE ON GROCERY PRICE INFLATION)

Note: We have upgraded the research technique this period with more representative reads of The Co-operative and the Total Market. This has resulted in a one-off share increase for The Co-operative and small adjustments in market share for other retailers. This has no effect on previous trends or conclusions and the enclosed table is internally consistent. It does mean, however, that figures in this release should not be compared with earlier releases as this will lead to incorrect conclusions. Reworked back-data is available on demand if required.

Ed Garner, Director, TNS Worldpanel, comments:

The latest TNS Worldpanel grocery market share figures, published today for the 12 weeks ending 14th June 2009, show this defensive sector continuing to ride out the recession and growing strongly at 6.5%.

There are several signs that shoppers have adopted a more measured approach to the recession and have started to revert to pre-recession behaviour. In particular the stellar growth of Aldi and Lidl has tailed off and both outlets are seeing their rate of growth eclipsed this period by Sainsbury's and Morrisons. Additionally, Waitrose has enjoyed a considerable 'bounce' with annual growth reaching 7.0%. Current advertising featuring the launch of the Essentials range is a big contributing factor as well as early conversions of former Somerfield stores.

Whilst Tesco had seen its share under pressure it has posted its highest growth so far this year at 6.2%. This is just a whisker behind the Grocery sector growth so share is virtually unchanged. Asda, Sainsbury's and Morrisons all perform strongly, outgrowing the market and adding share.

The decline of Somerfield (-12.7% year-on-year) may look alarming but it should be remembered that the Competition Commission required them to divest stores following their acquisition by The Co-operative. In future releases we will see the Somerfield share progressively decline as the fascias of the remaining stores convert to The Co-operative livery.

<u>An update on inflation</u>

Grocery price inflation has further decreased since last month and the figure for the 12 week-ending period 14th June 2009 is 7.0%

This figure is based on over 75,000 identical products compared year-on-year in the proportions purchased by British shoppers and therefore represents the most authoritative figure currently available. It is a ‘pure’ inflation measure in that shopping behaviour is held constant between the two comparison periods – shoppers are likely to achieve a lower personal inflation rate as they trade down or seek out more offers.

Total Till Roll

Great Britain Consumer Spend

Includes all expenditure through main store tills and excludes petrol & instore concession

	12 Weeks to 15 June 2008		12 Weeks to 14 June 2009		change
	£000s	% **	£000s	% **	%
Total Till Roll	**28,513,680**		**29,520,770**		**3.5**
Total Grocers	**20,703,280**	**100.0%**	**22,043,600**	**100.0%**	**6.5**
Total Multiples	**20,155,380**	**97.4%**	**21,541,290**	**97.7%**	**6.9**
Tesco	**6,395,614**	**30.9%**	**6,792,575**	**30.8%**	**6.2**
Asda	**3,427,857**	**16.6%**	**3,708,641**	**16.8%**	**8.2**
Sainsbury's	**3,263,061**	**15.8%**	**3,552,476**	**16.1%**	**8.9**
Morrisons	**2,338,425**	**11.3%**	**2,556,266**	**11.6%**	**9.3**
Total Co-operative	**1,856,067**	**9.0%**	**1,825,813**	**8.3%**	**-1.6**
Co-operative	**1,088,843**	**5.3%**	**1,156,238**	**5.2%**	**6.2**
Somerfield	**767,224**	**3.7%**	**669,575**	**3.0%**	**-12.7**
Waitrose	**798,696**	**3.9%**	**854,966**	**3.9%**	**7.0**
Iceland	**354,486**	**1.7%**	**384,304**	**1.7%**	**8.4**
Aldi	**596,841**	**2.9%**	**648,831**	**2.9%**	**8.7**
Lidl	**480,072**	**2.3%**	**516,245**	**2.3%**	**7.5**
Netto	**151,780**	**0.7%**	**153,140**	**0.7%**	**0.9**
Farm Foods	**103,469**	**0.5%**	**117,845**	**0.5%**	**13.9**
Other Freezer Centres	**48,191**	**0.2%**	**48,069**	**0.2%**	**-0.3**
Other Multiples	**340,818**	**1.6%**	**382,125**	**1.7%**	**12.1**
Total Independents	**547,901**	**2.6%**	**502,304**	**2.3%**	**-8.3**
Total Symbols	**195,370**	**0.9%**	**180,098**	**0.8%**	**-7.8**
Other Independents	**352,531**	**1.7%**	**322,206**	**1.5%**	**-8.6**

*** = Percentage Share of Total Till Roll**

To view the video commentary from Ed Garner or to get further information please visit

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<u>Note to editor</u>

These findings are based on TNS Worldpanel data for the 12 weeks to 14th June 2009. TNS Worldpanel monitors the household grocery purchasing habits of 25,000 demographically representative households in Great Britain. All data discussed in the above announcement is based on the value of items being bought by these consumers, TNS will only support data that is published in the context we have presented it and our own interpretation of these findings. We cannot be held responsible for any other interpretation of these findings.

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