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INDEPENDENT RETAILERS AHEAD OF THE GAME WITH 10.3% LIKE-FOR-LIKE GROWTH OVER CHRISTMAS

-Independent retail sector growth outstrips the multiples in the eight weeks leading up to the year's end, according to SalesOut -

20 January, 2010: The independent sector saw an excellent 10.3% growth in like-for-like sales in the last eight weeks of 2009, according to **SalesOut**, the provider of actionable insights to the FMCG industry. The findings are based on sales data for over 11,000 independent stores, 5,000 of which are symbol stores.

This news comes after City Analysts predicted Morrisons to outshine its peers with like-for-like sales growth of up to 7% for the festive period. So far, Tesco and Sainsbury's have announced 4.9% and 4.2% growth respectively.

Steve Collins, commercial director of SalesOut, says, "We saw a huge rise in sales in the independent sector, which was lead in part by a very healthy 12.3% rise in alcohol sales on last year, with cider and sprits up 22.7% and 21.1% respectively. One of the weaker performances from the alcohol sector was beer, which only saw a 3.9% increase – perhaps indicative of continually aggressive beer promotions from the multiples coupled with the impact of duty fraud."

There were also some surprising results for products that usually underperform in the independent sector, with pet care products showing a 17% rise and laundry, a staggering 30% increase in like-for-like sales. As Collins explains, "Although shoppers tend to buy such items in bulk as part of a bigger shop, there is some evidence to suggest that their buoyant performance can in part be put down to extreme weather conditions in the run up to Christmas. Shoppers have not necessarily wanted to risk longer journeys to bigger shops because of the conditions on the roads and have consequently turned to their local retail outlets for essential purchases. Another factor is the significant improvements in convenience store ranges, including the introduction of multi-packs and larger pack sizes in categories such as pet foods, in response to consumer needs."

Other strong performances were led by confectionery (6.8%) and soft drinks (9.8%) which continue to show resilience to the economic conditions.

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Growth in independent sales over the holiday period, which is the continuation of an upward trend SalesOut has been reporting for some time, is great news for FMCG manufacturers and independent retailers alike. Collins explains, "The convenience market has always been synonymous with brands, which continue to dominate sales in the independent sector. The independent sector presents a real opportunity for brands to not only survive the recession but to thrive by filling existing gaps in the distribution of their products, based on real sales insights."

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About SalesOut

SalesOut sources data from wholesalers and catering outlets, and manages this data to provide insightful reports on sales and distribution to FMCG manufacturers. These reports are delivered through a web-based application, and can be tailored to suit the company's reporting needs.

SalesOut enables FMCG manufacturers to achieve sales, trade marketing, and brand management objectives. It does this by providing actionable insights by volume, penetration, promotions, category level, store level and SKU, empowering FMCG manufacturers with the ability to fill gaps in their distribution, and to increase sales in stores where their products are and are not currently stocked.

SalesOut also quantifies the promotional return on investment, helping FMCG manufacturers to maximise the effectiveness of their promotional marketing spend.

If a brand requires assistance with turning these insights into actions, SalesOut offers tactical and strategic services including field sales, field marketing and telemarketing services, to help FMCG manufacturers plug the gaps in their distribution and to educate store managers in the products and new product development.

SalesOut works with some of the world's top household brands including Unilever, Coca-Cola, Cadbury, GlaxoSmithKline, Nestle, Walkers and Mars.

SalesOut also helps wholesalers, catering outlets and independent retailers to increase supplier investment. As such, SalesOut creates a common interest between wholesalers and FMCG manufacturers to diversify their energies into the independent and catering marketplaces.

SalesOut has been providing unique services to the FMCG/CPG industries since 2002. It has offices in the United Kingdom, the United States, Europe and South Africa.

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