

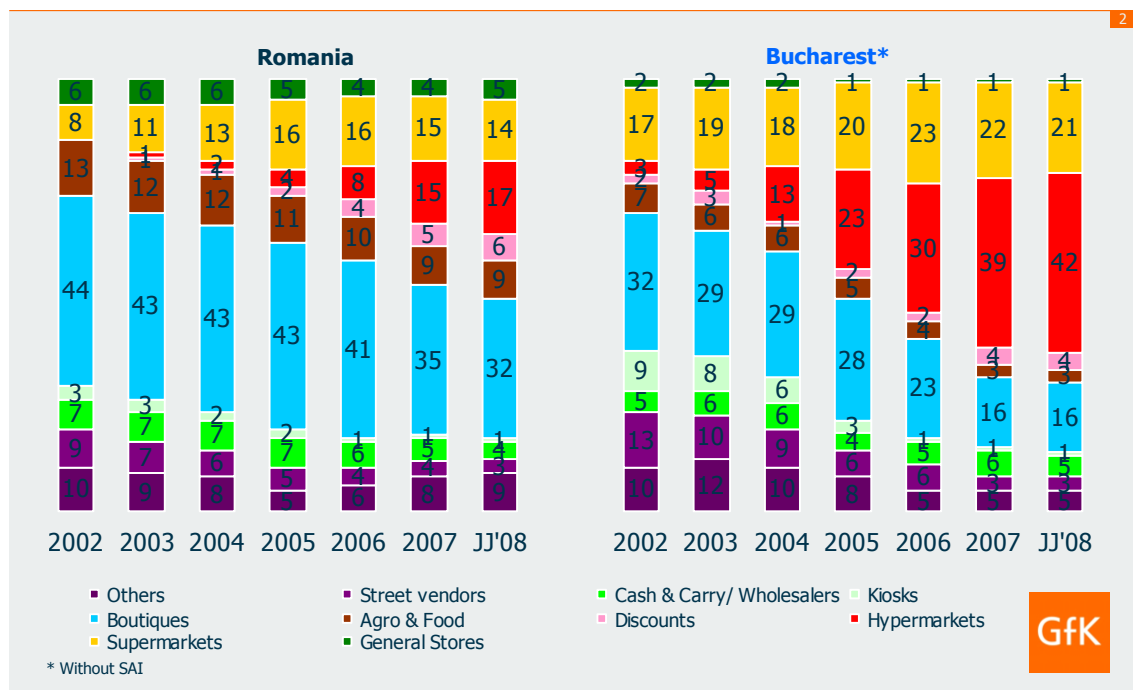
With regard to the place where FMCG products are purchased, there has been continuing development of the modern trade format, mainly in the form of hypermarkets and discounters.

In the context of buying behaviour, people are tending to keep the number of shopping trips constant but are spending more per purchase action.

In the first half of 2008 the modern trade format has achieved a market share of 40% at the overall country level and 70% in Bucharest.

In the capital city, hypermarkets have strengthened their leader position with a market share of 42%, followed at a distance by supermarkets with 21%.

TRADE DEVELOPMENT 2002 – June 2008



2008 brought higher prices for many convenience categories such as milk (+20%) and edible oils (+40%). Prices increases of over 10% were registered for more than one third of all the FMCG categories monitored by the Consumer Panel, double the number compared to last year's figures.

More than has been the case in other regions, Romania has been perfectly integrated into the European Union with regard to the upward trend of prices – above the average!

Slightly more optimistic than other Europeans, Romanian consumers spent more at 22% on FMCG during the first six months of 2008 compared to the same period of last year, against a background of higher food prices (up by 11%) and little volume increase (up by 5%).

Even though, overall, the share of categories which have registered volume decreases is smaller compared to the previous year, it is important categories which are involved (edible oils, milk, margarine, semi-hard cheeses and sour cream) and which account for almost one third of the total market value of the products included in the analysis.



If we restrict our considerations to food and beverages, the significant volume increases come mainly from smaller categories, accounting for only 13% of the total FMCG market value (such as Ice Tea, Kefir, Sana, Breakfast Cereals or Cream Cheese).

With a slightly damped appetite for buying, the households who have a higher level of income per member registered a moderate growth rate in their FMCG spending, resulting from there being less left after the bills or holidays have been paid for.

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