MARKET REVIEW

HOMESCAN DATA TO 4/6/2014

RESEARCH OBJECTIVES

1. Meat purchasing behaviour

- Deep dive analysis on Nielsen chilled beef, lamb, chicken, pork and veal fresh meat sales in Australian supermarkets over 4 week period in Summer 2013 and Winter 2012 and preference to purchase other red meat products within same basket and frequency.

2. Where is the greatest opportunity for growth?

- Two hypotheses:
  - *Light to Medium Beef Buyers*
    - *Get 'other protein' (Light Beef buyers) buyers to reconsider beef as an alternative protein source to their current repertoire and add beef back into their repertoire at least once a month/fortnight/week.*
  - *Medium to Heavy Beef Buyers*
    - *Encourage current beef buyers (Medium Beef buyers) to swap at least one 'other' protein meal a week back to beef.*

AUSTRALIA TODAY

CONSUMER CONFIDENCE
QTR2 - 2014

Global = 97

+1

the highest score since first-quarter 2007

Asia Pacific 106

+6

Australia = 85

-4

Australia dropped to its lowest score on record

New Zealand 100

0

INCREASING FOOD PRICES IS ONE OF TOP CONCERNS

Question: What are your major concerns over the next 6 months?

Increasing Utility Bills	The Economy	Jobs	Increase Food Prices	Health
34%	**28%**	**26%**	**18%**	**14%**
32%	26%	25%	15%	16%

QTR 2 2014
QTR 1 2014

Sum of the first and second responses
Source: Nielsen Global Consumer Confidence Report 2014 Q2

SHOPPERS RESPOND BY COOKING AT HOME AND BUYING CHEAPER BRANDS

Question: Compared to this time last year, which of the following actions have you taken in order to save on household expenses?

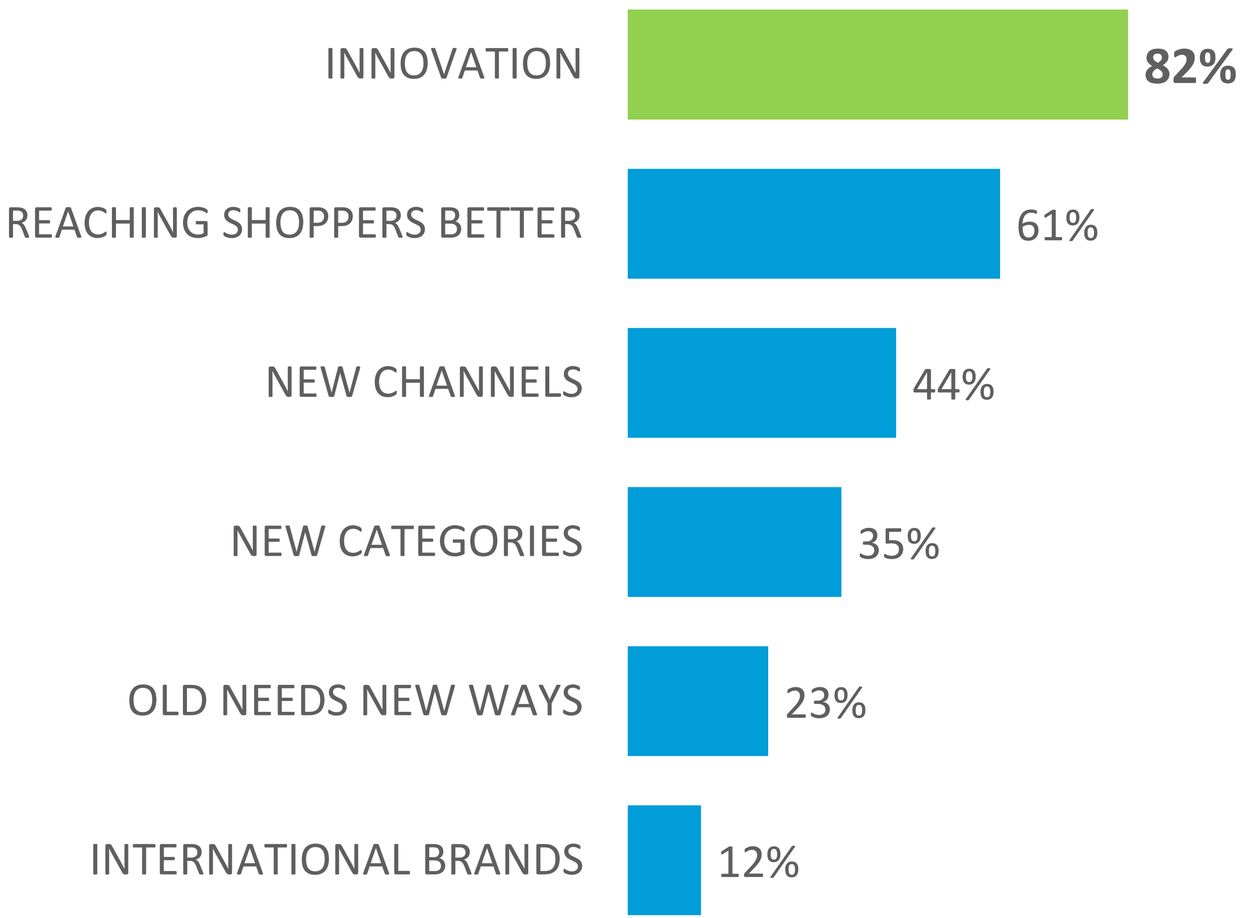
THEY SAY THEY DO …

- 65% **Try to save on gas and electricity**
- 62% **Cut down on take-away meals**
- 59% **Switch to cheaper grocery brands**
- 57% **Spend less on new clothes**
- 56% **Cut down on out-of-home entertainment**

Sum of the first and second responses

Source: Nielsen Global Consumer Confidence Report 2014 Q2

FUTURE GROWTH: INNOVATION IS KEY



KEY DRIVERS OF STORE CHOICE

1. High Quality Fresh Food
2. Wide range of fruit and vegetables
3. Products offer good value for money
4. Offer brands and private (premium) label alternatives

NO RETAILER DIFFERENTIATION

BETWEEN THE TWO MAJOR RETAILERS IN REGARDS TO GROCERY OR FRESH PRODUCE

Quality Fresh	**Range in Fruit Veg**	**Range in Meat**	**Healthy Organic**	**Pre-prepared**

Quality pre-prepared foods are an important driver of store differentiation

THE CONSCIOUS CONSUMER

Quality Produce

Fresh Produce

Ready to Eat

Healthier Alternatives

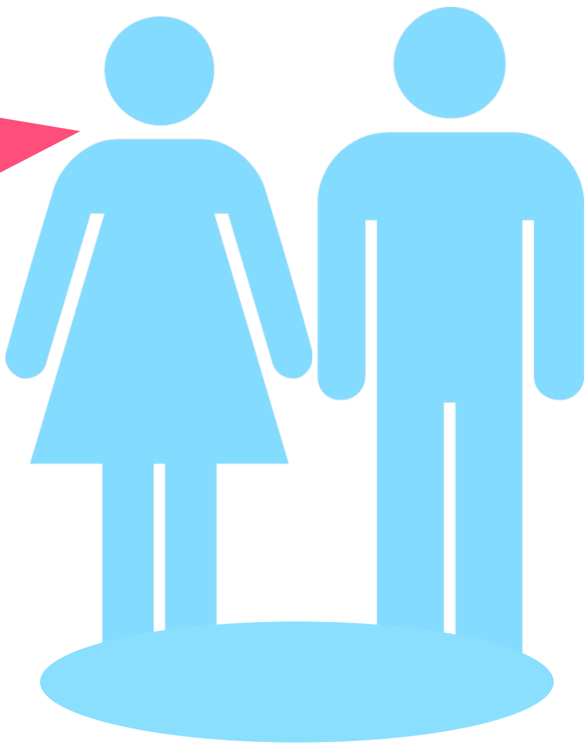
Natural Ingredients

Simplicity

Organic

Renewable Packaging

Ethical Trading



AGENDA

Executive Summary

Seasonality: The Bigger Picture

Shopper Missions

Basket Analysis

Focus on Beef

Opportunities & Recommendations

EXECUTIVE SUMMARY

Meat purchasing behaviour

Opportunity lies with the **Top Up** and **Dinner Tonight** shopper who are driving frequency and spend per occasion.

Develop strategies playing to the strengths of the lifestage and shopping mission. Defend position with **Bustling & Small Scale Families**

Versus Chicken, Beef is performing well with **Smaller Households** (less than 3) and **Over 45's**

Without meat in the basket the average spend per trip will more than **half**.

SEASONALITY: THE BIG PICTURE

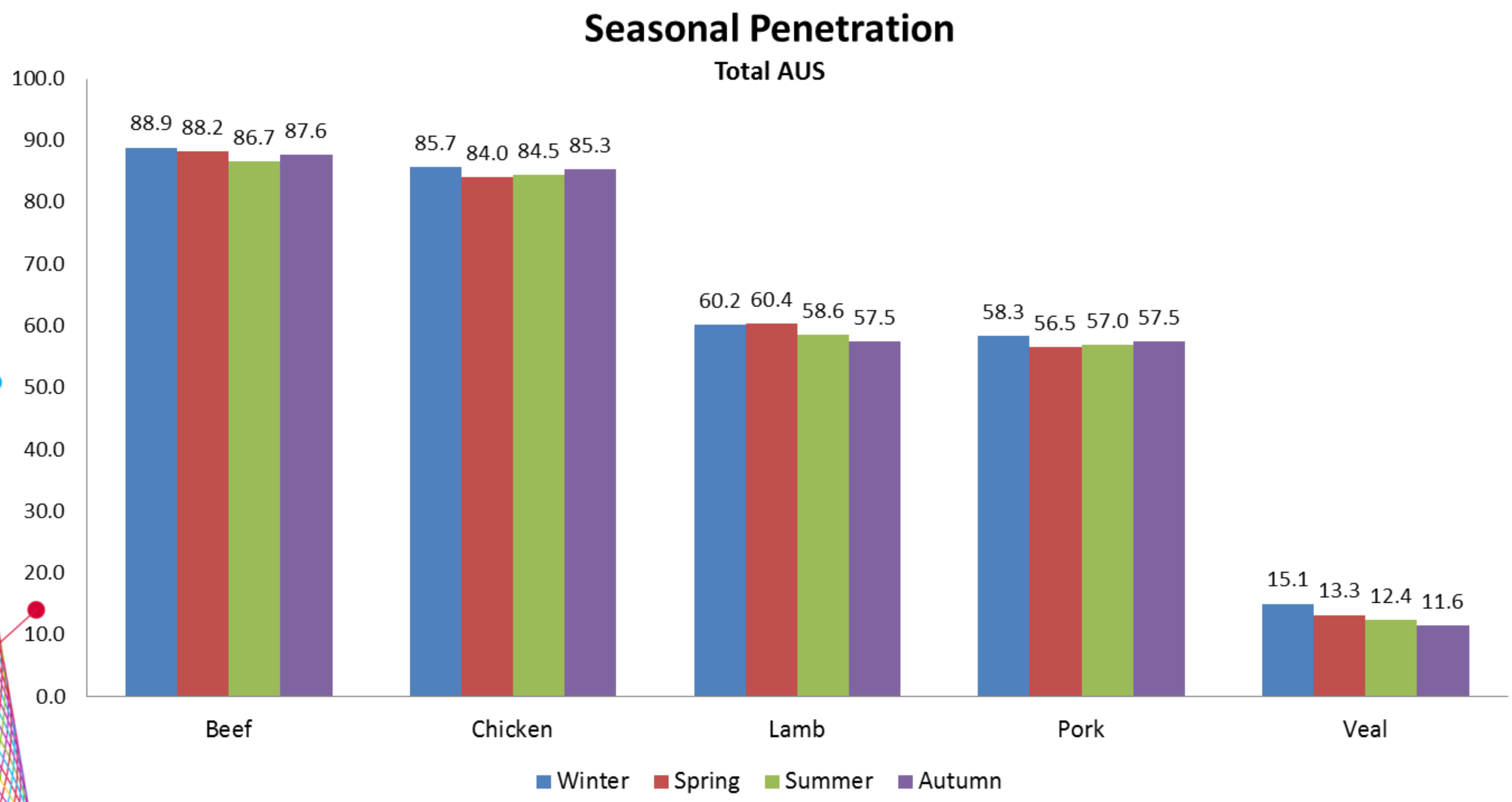
VALUE DECLINE ESPECIALLY IN SUMMER BUT VOLUME UP

TOTAL FRESH MEAT

	SUMMER	WINTER
HH Penetration	-0.2pts	-0.3pts
Value Growth	-5.7%	-0.1%
Volume Growth	+0.7%	-0.1%

Source: Nielsen Homescan Issue # 750769

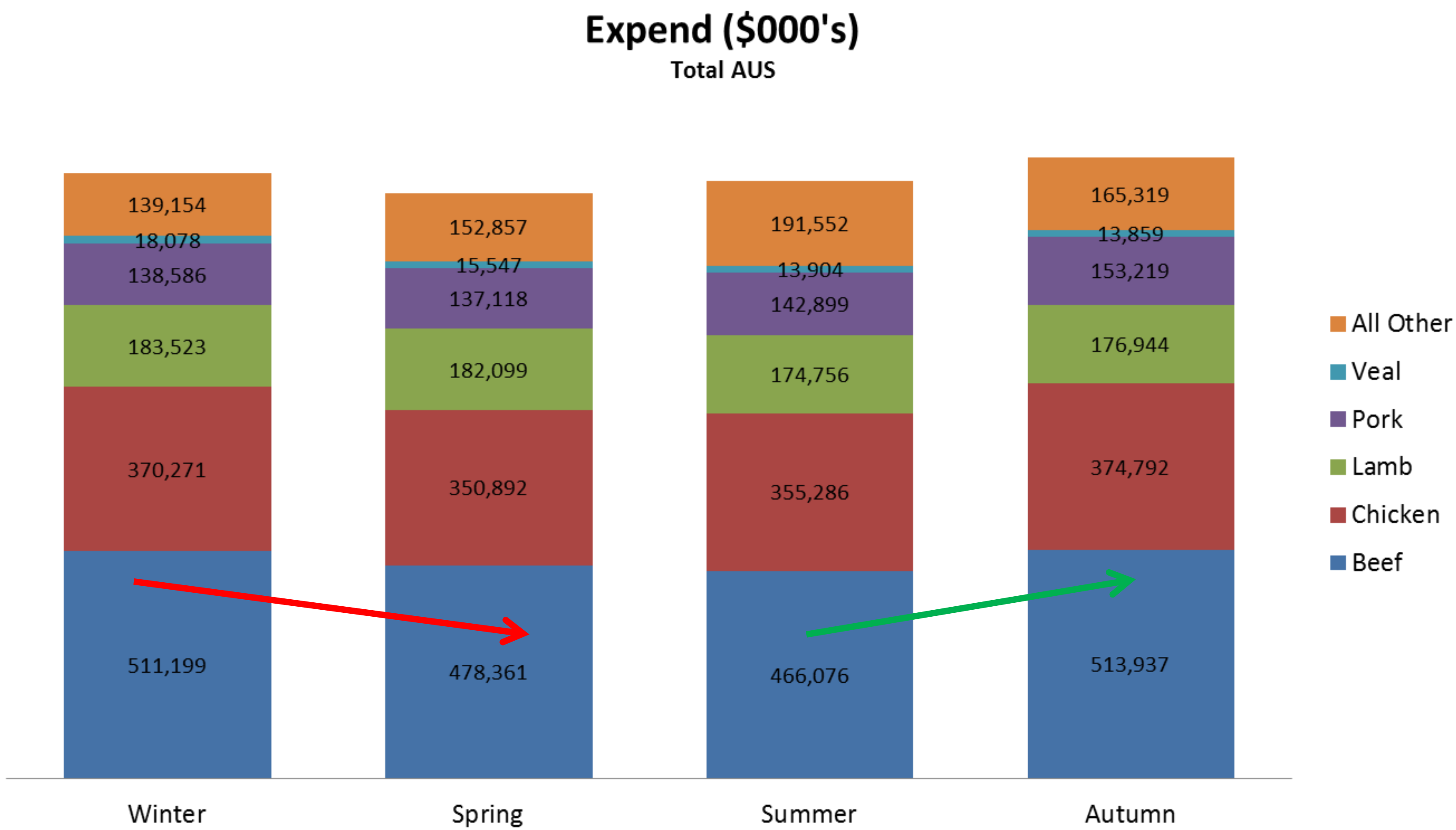
BEEF HAS THE LOWEST PENETRATION IN SUMMER, CHICKEN AND PORK IN SPRING AND LAMB AND VEAL IN AUTUMN



Source: Nielsen Homescan | MKS515779, MSK515781, MKS515787 and MKS51580

Winter: 2 Jun 2013 to 31 Aug 2013 | Spring: 1 Sep 2013 to 30 Nov 2013 | Summer: 1 Dec 2013 to 1 Mar 2014 |Autumn: 2 Mar 2014 to 31 May 2014

OVERALL FRESH MEAT SEES LOWEST SALES IN SPRING AND HIGHEST SALES IN AUTUMN, FOLLOWED BY WINTER



Source: Nielsen Homescan | MKS515779, MSK515781, MKS515787 and MKS51580
Winter: 2 Jun 2013 to 31 Aug 2013 | Spring: 1 Sep 2013 to 30 Nov 2013 | Summer: 1 Dec 2013 to 1 Mar 2014 |Autumn: 2 Mar 2014 to 31 May 2014

SHOPPER MISSIONS

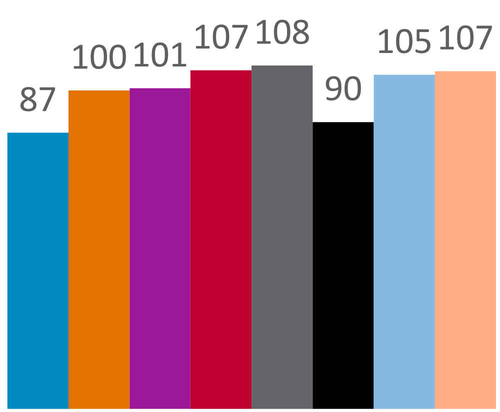
SUMMER: HIGHEST AVG SPEND PER TRIP BY SPECIES

WHEN BEEF IS IN THE BASKET THE AVE SPEND IS HIGHEST IN WW

WOW

PORK
LAMB

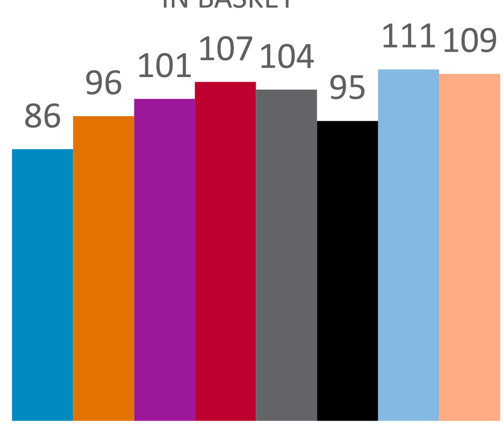
AVG SPEND PER TRIP WITH ITEMS IN BASKET



COLES

LAMB
PORK

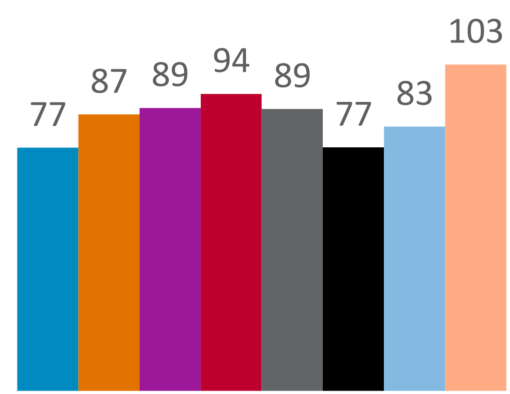
AVG SPEND PER TRIP WITH ITEMS IN BASKET



ALDI

LAMB
CHICKEN/PORK

AVG SPEND PER TRIP WITH ITEMS IN BASKET



Total Fresh Meat | Beef | Chicken | Lamb | Pork | Seafood | Turkey | Veal

Source: Nielsen Homescan SBV520281 Summer 2013 = 1/12/13 – 22/2/2014

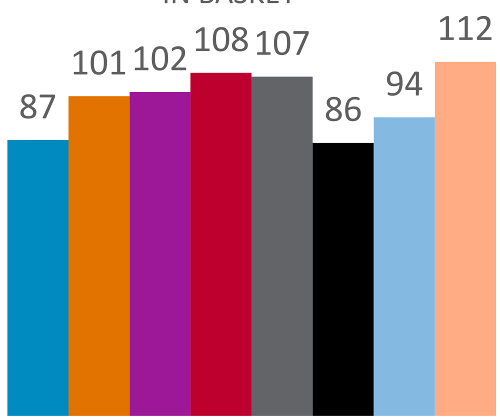
WINTER: HIGHEST AVG SPEND PER TRIP BY SPECIES

WITH BEEF IN BASKET AVERAGE SPEND DECREASES FOR COLES & ALDI

WOW

LAMB
PORK

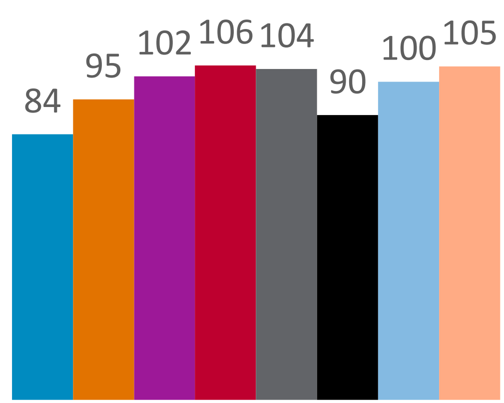
AVG SPEND PER TRIP WITH ITEMS IN BASKET



COLES

LAMB
PORK

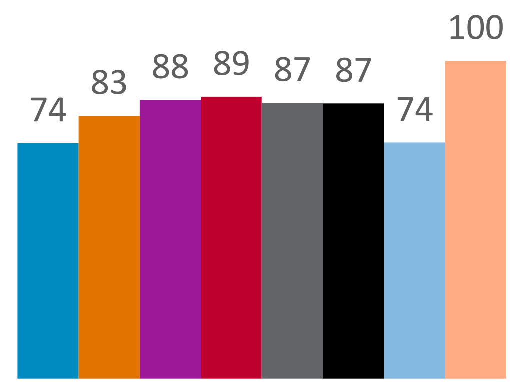
AVG SPEND PER TRIP WITH ITEMS IN BASKET



ALDI

LAMB
CHICKEN

AVG SPEND PER TRIP WITH ITEMS IN BASKET



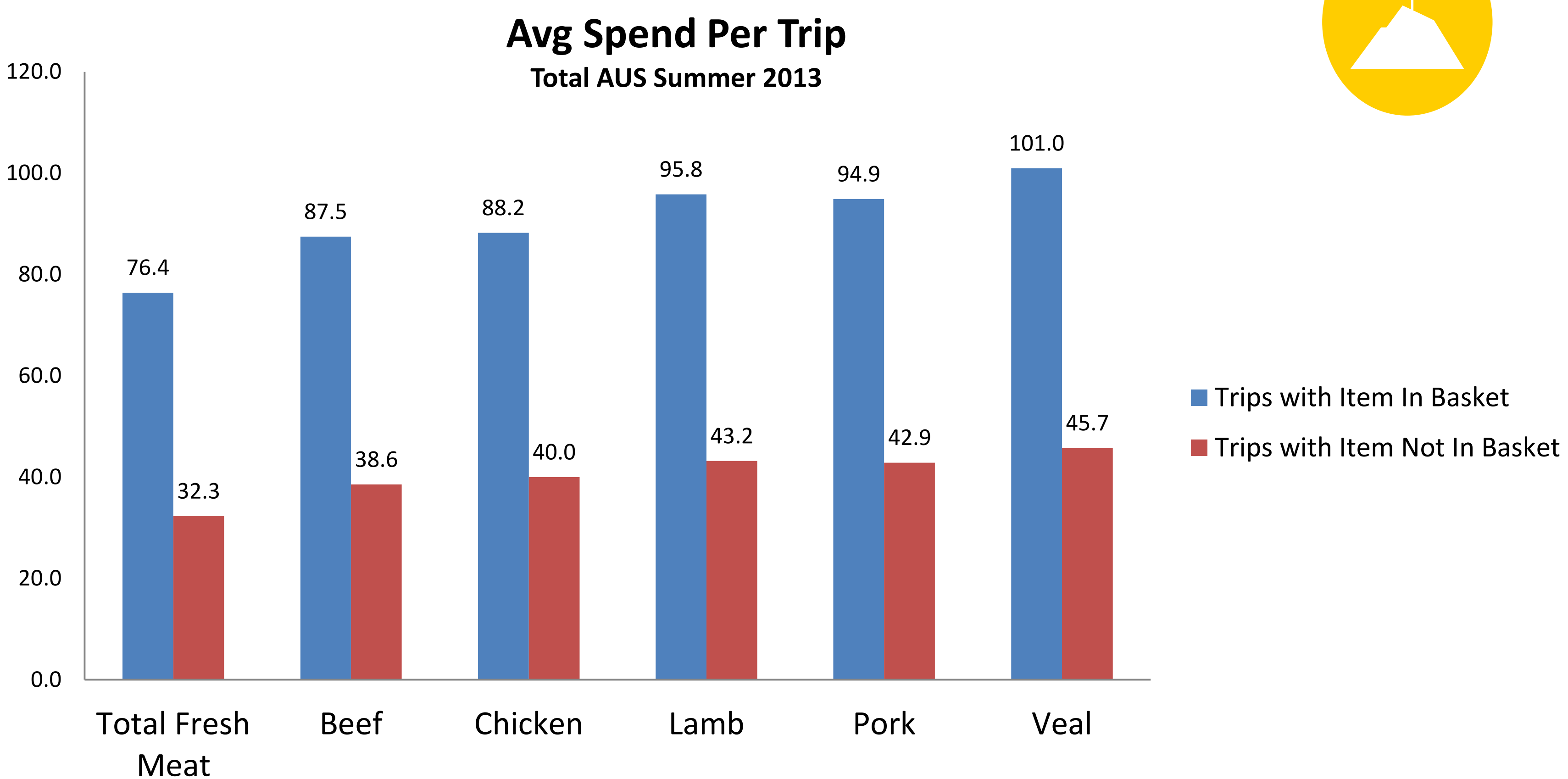
Total Fresh Meat | Beef | Chicken | Lamb | Pork | Seafood | Turkey | Veal

Source: Nielsen Homescan SBV520282 Winter 2013 = 9/6/2013 – 31/8/2013

BASKET ANALYSIS

WITHOUT MEAT IN THE BASKET THE AVERAGE SPEND PER TRIP WILL MORE THAN HALF

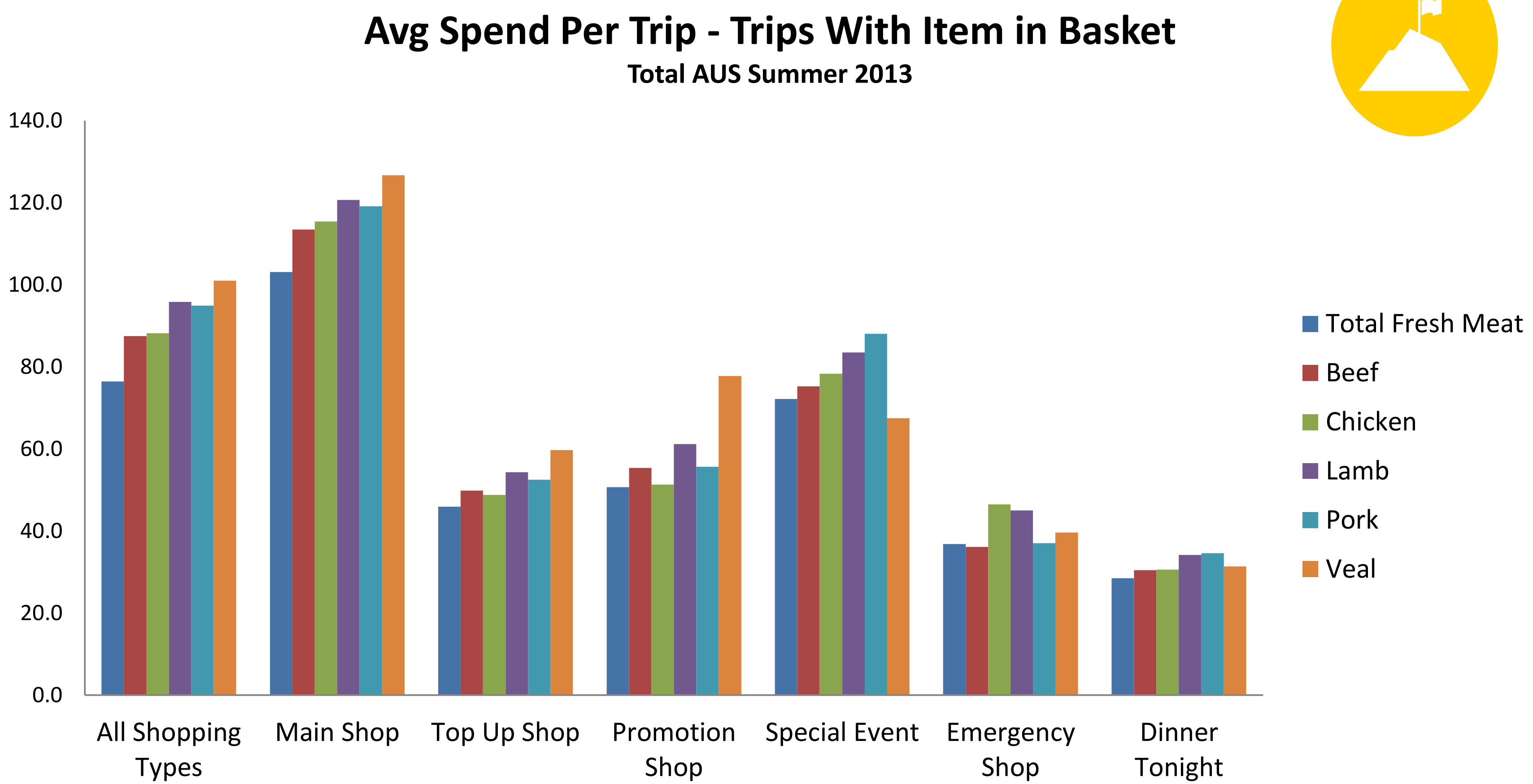
GREAT ANALYSIS TO SHOW RETAILERS THE IMPORTANCE OF FRESH MEAT



Source: Nielsen Homescan – Issue # SBV 516249 Summer 2013 = 1/12/13 – 22/2/2014

THE 2ND HIGHEST AVERAGE SPEND PER TRIP IS ON SPECIAL EVENT. THE LOWEST ON A DINNER TONIGHT SHOPPING MISSION.

WITH BEEF IN THE BASKET THE AVG SPEND FOR TOP UP AND PROMOTION SHOPS IS HIGHER THAN CHICKEN

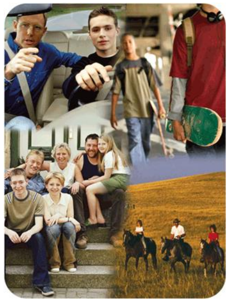
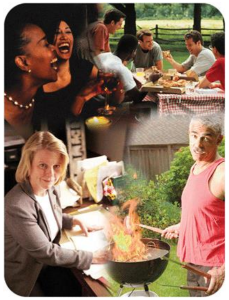


Source: Nielsen Homescan – Issue # SBV 516249 Summer 2013 = 1/12/13 – 22/2/2014

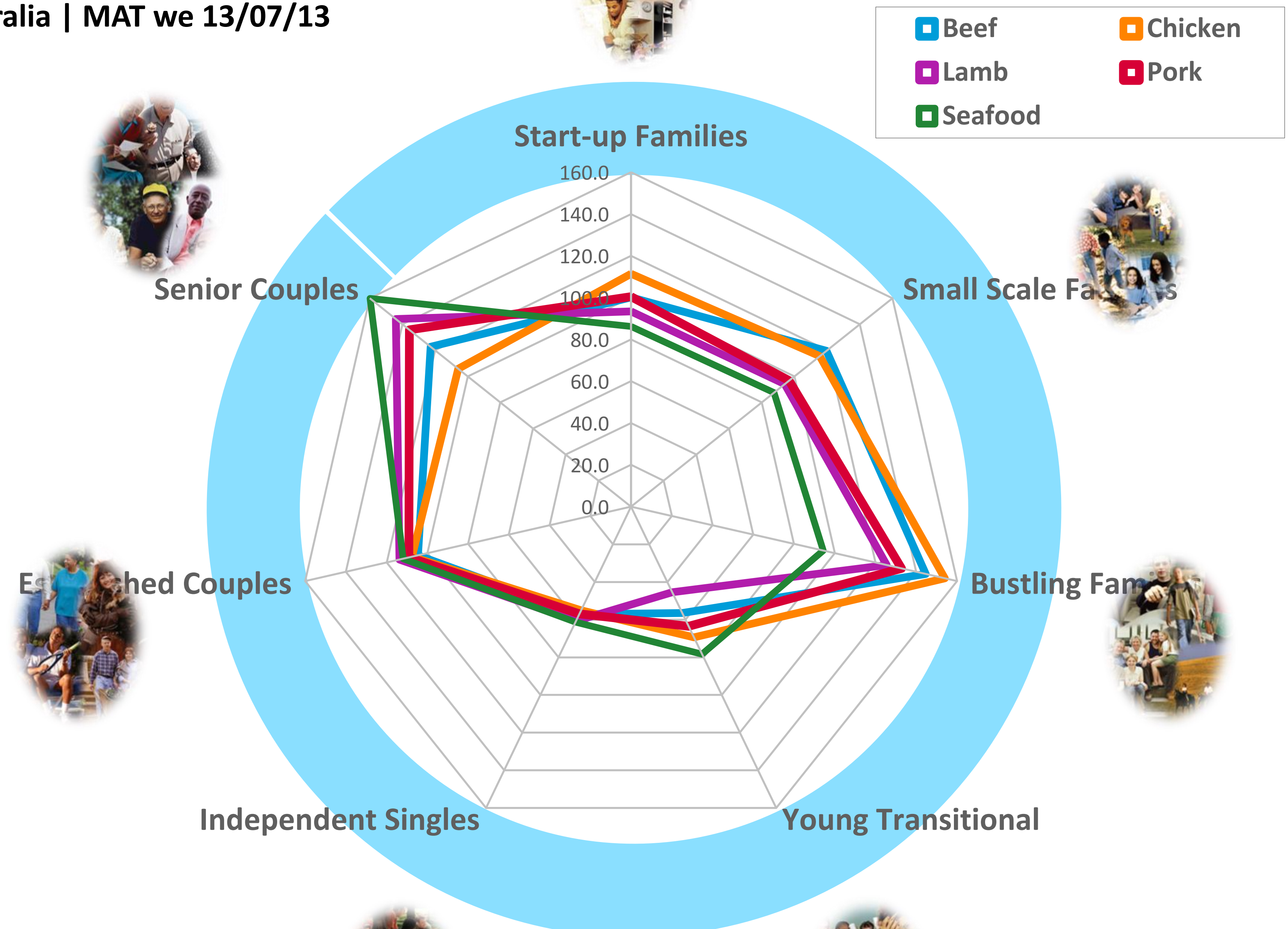
WHO IS BUYING?

BEHAVIOUR STAGES

Align behavioural shifts with explainable life events

						
Start-Up Families	**Small Scale Families**	**Bustling Families**	**Young Transitionals**	**Independent Singles**	**Established Couples**	**Senior Couples**
FAMILIES			NON - FAMILIES			
Oldest Child <6	Oldest Child 6-11	Oldest Child 12-17	Adults <35 No Children	1 Adult >35 No Children	2 or more Adults 35-59	2 or more Adults 60+
Young Family		**Older Family**	**Pre Family**	**Good Lifers**		
6.2%	**9.8%**	**14.0%**	**8.5%**	**21.1%**	**22.9%**	**17.5%**

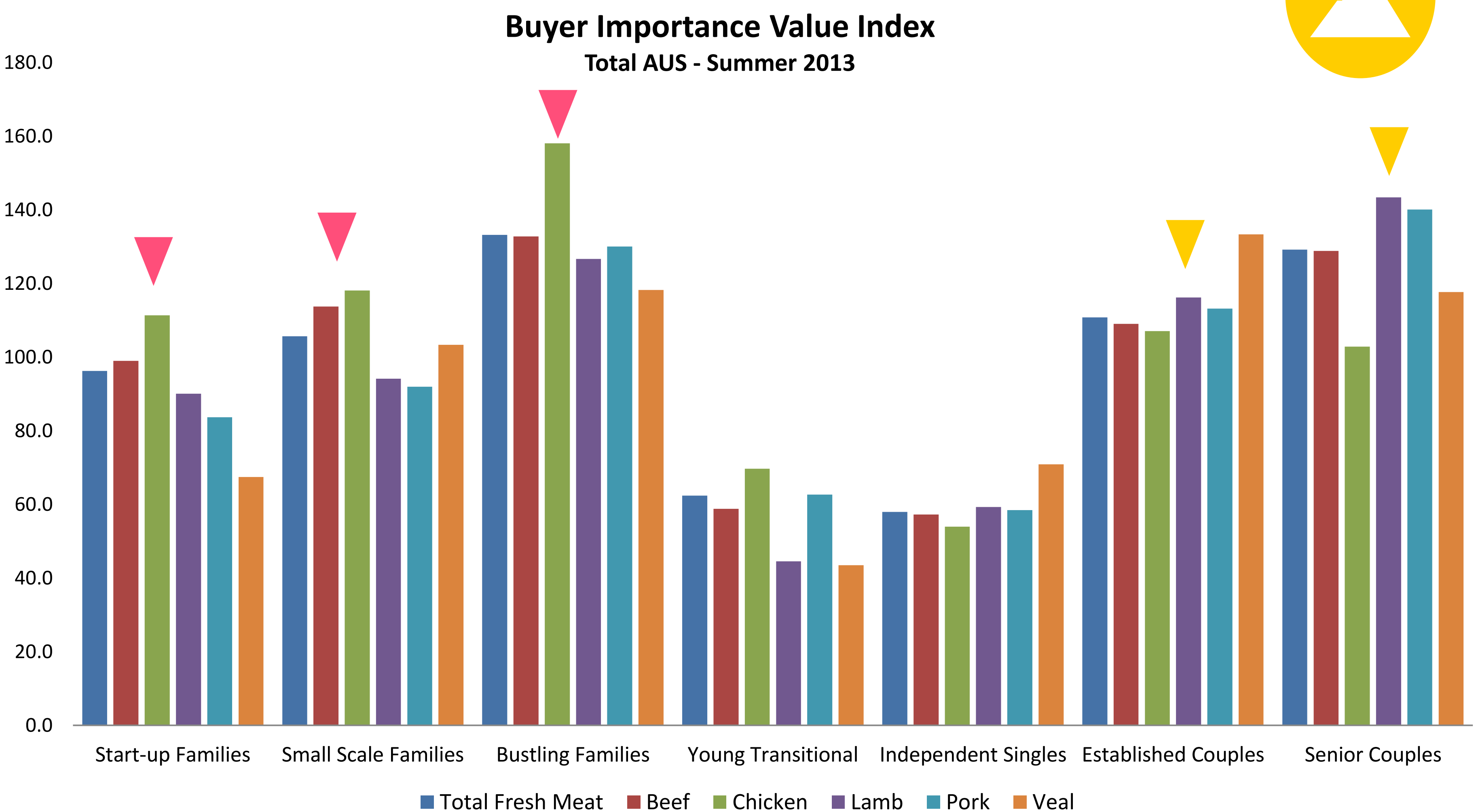
Buyer Importance Volume Index
Australia | MAT we 13/07/13



Source: Nielsen Homescan | BDM 520277

CHICKEN IS THE PROTEIN OF CHOICE FOR FAMILIES DURING THE SUMMER BUT NOT FOR COUPLES WHO FAVOUR LAMB

Index calculated based on the % of population vs Spend

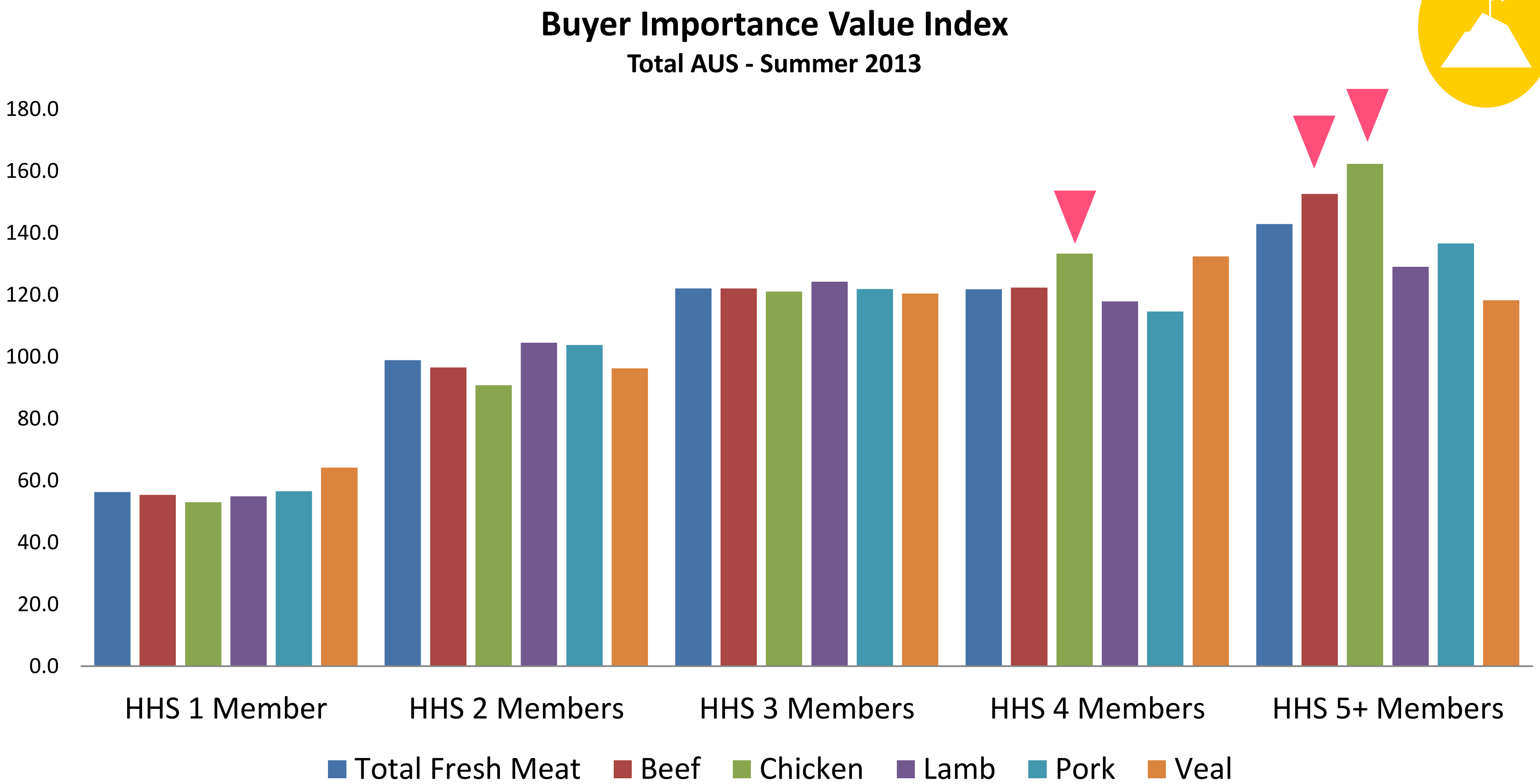


Source: Nielsen Homescan – Issue # BDM 516303 Summer 2013 = 1/12/13 – 22/2/2014

BEEF EDGING OUT CHICKEN WITH SMALLER HH

BUT CHICKEN LEADING HHS 4+

Index calculated based on the % of population vs Spend

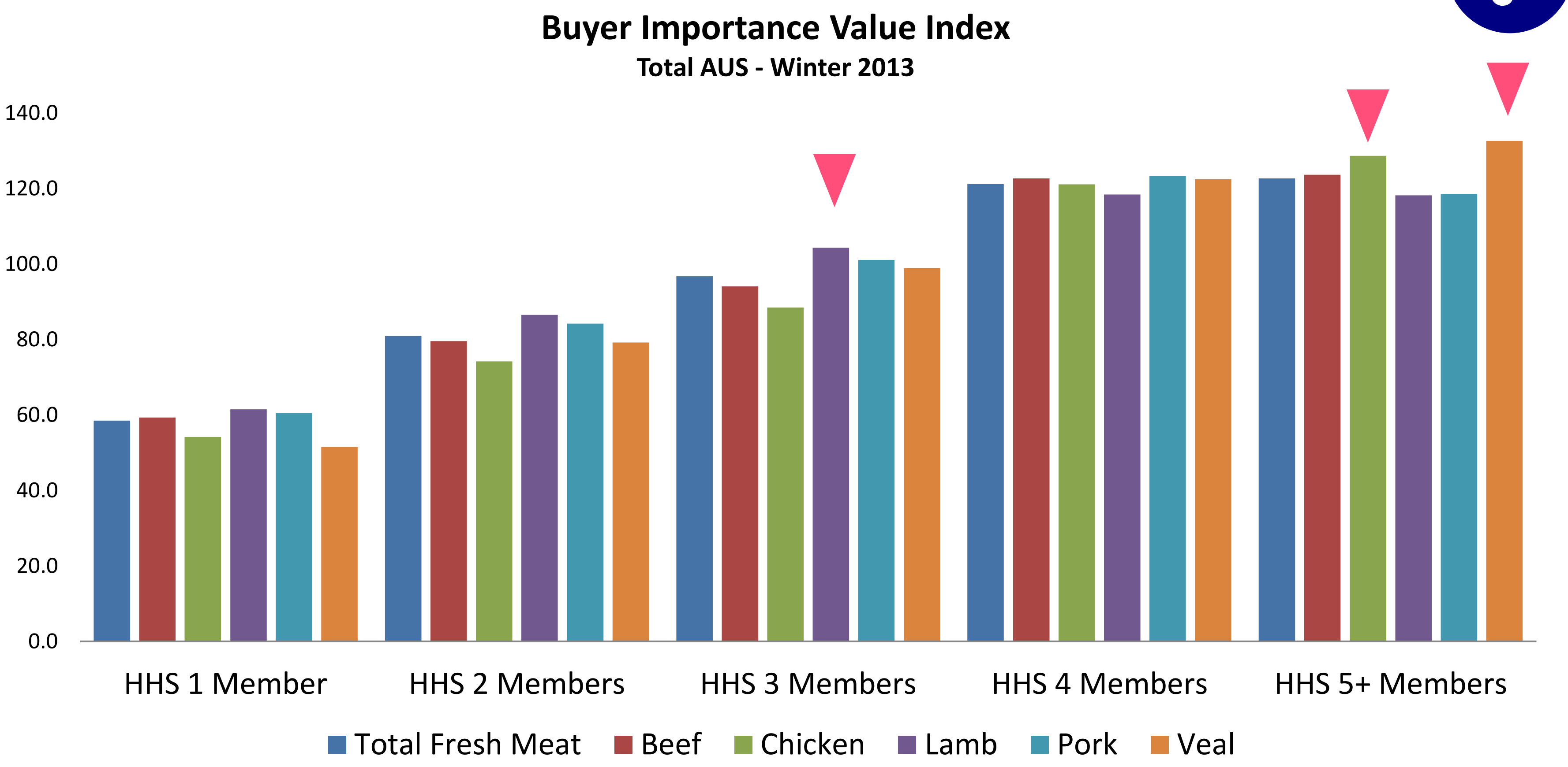


Both Beef and Chicken are more popular with larger families

Source: Nielsen Homescan – Issue # BDM 516303 Summer 2013 = 1/12/13 – 22/2/2014

DURING WINTER BEEF INCREASES ITS IMPORTANCE AGAINST CHICKEN

Index calculated based on the % of population vs Spend

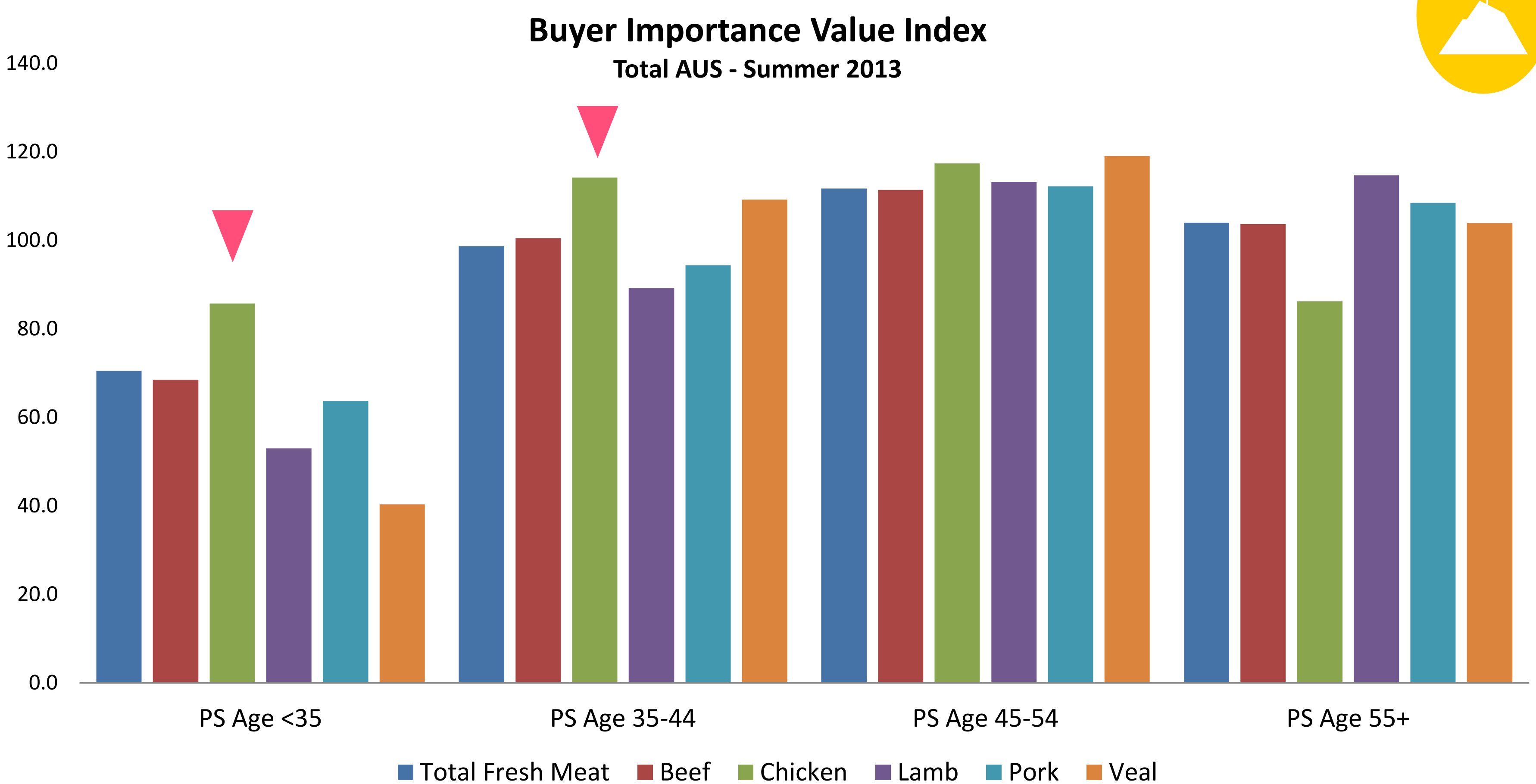


Chicken is more popular with larger families

Source: Nielsen Homescan – Issue # BDM 516303 515104 Winter 2013 = 9/6/2013 – 31/8/2013

BEEF'S PRIMARY SHOPPER AGE IS 45+ AND RESONATES HIGHER THAN CHICKEN WITH 55+

Index calculated based on the % of population vs Spend

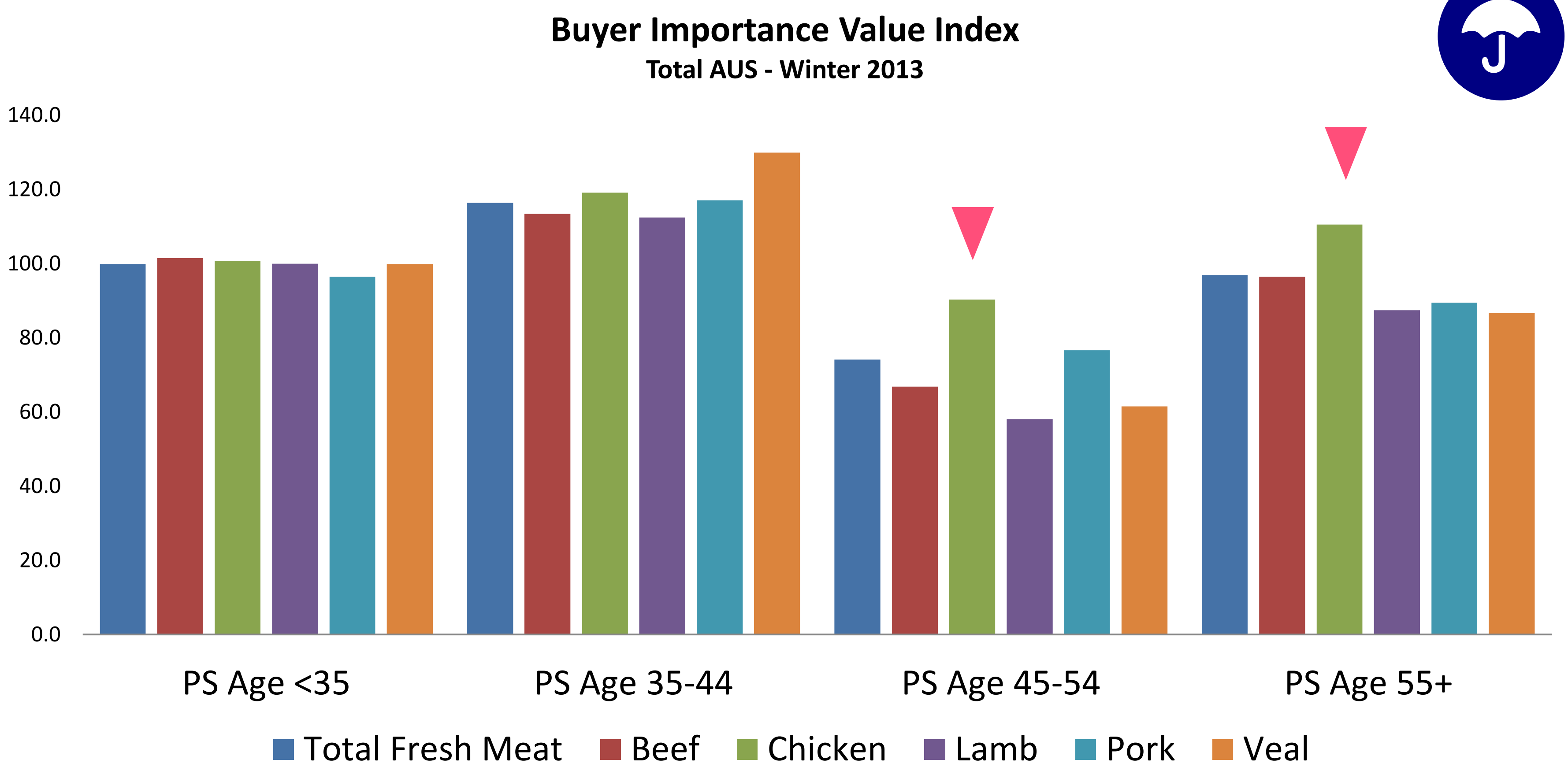


Chicken Primary Shopper Age tends to be younger than other segments

Source: Nielsen Homescan – Issue # BDM 516303 Summer 2013 = 1/12/13 – 22/2/2014

THE REVERSE IS TRUE IN WINTER

Index calculated based on the % of population vs Spend



In Winter Chicken Primary Shopper Age tends to be older than other segments

Source: Nielsen Homescan – Issue # BDM 516303 515104 Winter 2013 = 9/6/2013 – 31/8/2013

UNDERSTANDING THE **SHOPPER**

- Our framework; typically used with Supplier clients

WHAT SHOPPERS **DO**

WHO BUYS WHAT AND FROM WHERE?

HOW SHOPPERS **ACT**

WHAT DO THEY DO AT SHELF?

WHAT SHOPPERS **THINK**

WHAT ARE THE RULES FOR SHOPPING THE CATEGORY?

WHAT SHOPPERS **SEE**

HOW TO DO SHOPPERS “READ” THE SHELF?

HOW SHOPPERS **FEEL**

WHAT TRIGGERS A SHOPPER’S DESIRE TO BUY?

BEEF ANALYSIS

BEEF WITNESSING BUYER LEAKAGE WITH VALUE DECLINE

TOTAL BEEF

AUS	AUS excl. ALDI
HH Penetration **-0.6pts**	HH Penetration **-0.7pts**
Value Growth **-1.9%**	Value Growth **-2.4%**
Volume Growth **+1.8%**	Volume Growth **+0.9%**

Source: Nielsen Homescan Issue # 750769

BEEF BUYERS MAINLY SWITCH TO CHICKEN

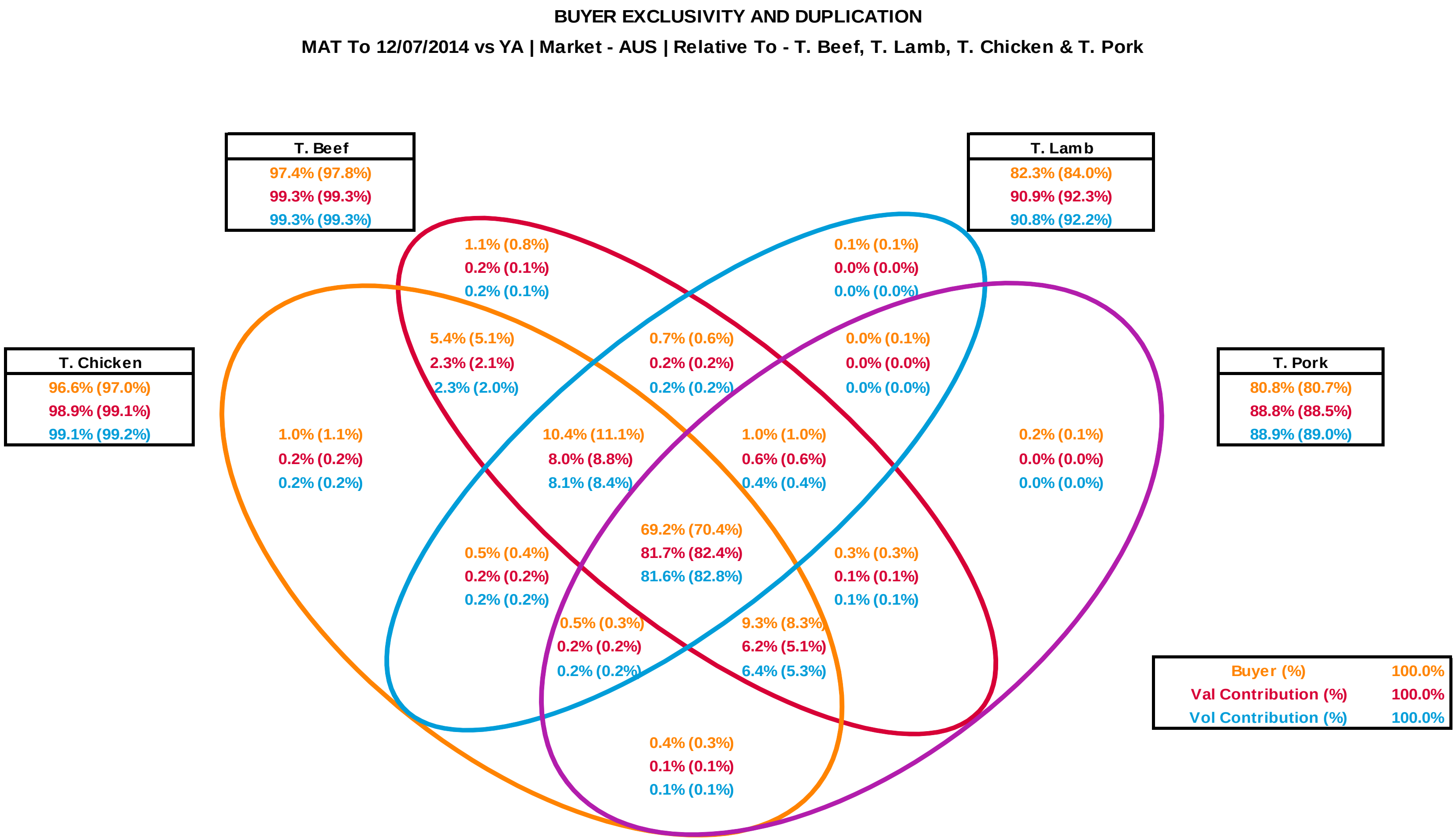
TOTAL BEEF

AUS	AUS excl. ALDI
28% BEEF BUYERS are more likely to switch to CHICKEN	**27%** BEEF BUYERS are more likely to switch to CHICKEN

Source: Nielsen Homescan Issue # 751184

BEEF BUYERS ARE INTERACTING MORE WITH CHICKEN BUYERS IN THE LATEST MAT

Their spend and consumption towards chicken has also increased.



Source: Nielsen Homescan Issue # 751226;227

92% OF CHICKEN MINCE BUYERS ARE INTERACTING WITH BEEF MINCE, WHERE AS ONLY 26% OF BEEF MINCE BUYERS ARE INTERACTING WITH CHICKEN MINCE

Only 8% of Chicken Mince buyers are exclusive compared to 76% of Beef Mince buyers but this has declined over the last year

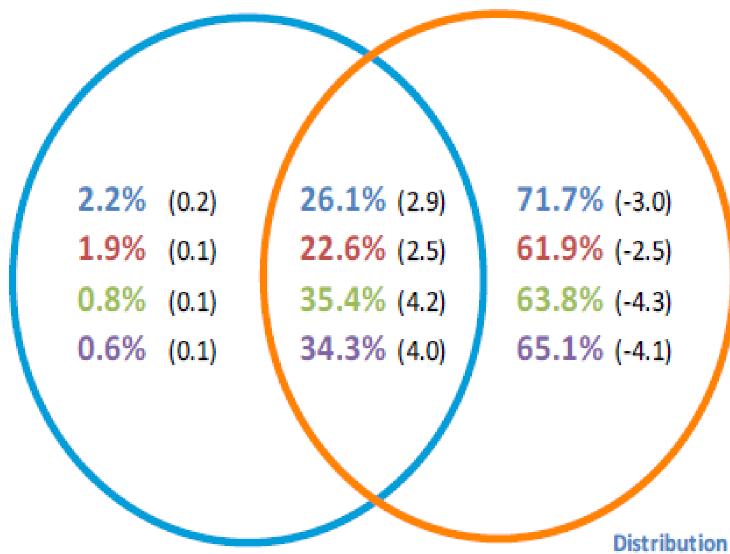
BUYER EXCLUSIVITY AND DUPLICATION

MAT To 19/04/2013 vs. YA | Market: AUS | Relative to Total Chicken + Beef Mince

Chicken Mince

28.3% (3.0)
24.4% (2.7)
36.2% (4.3)
34.9% (4.1)

8.1% of Chicken Mince buyers are exclusive buyers.



Beef Mince

97.8% (-0.2)
84.5% (0.0)
99.2% (-0.1)
99.4% (-0.1)

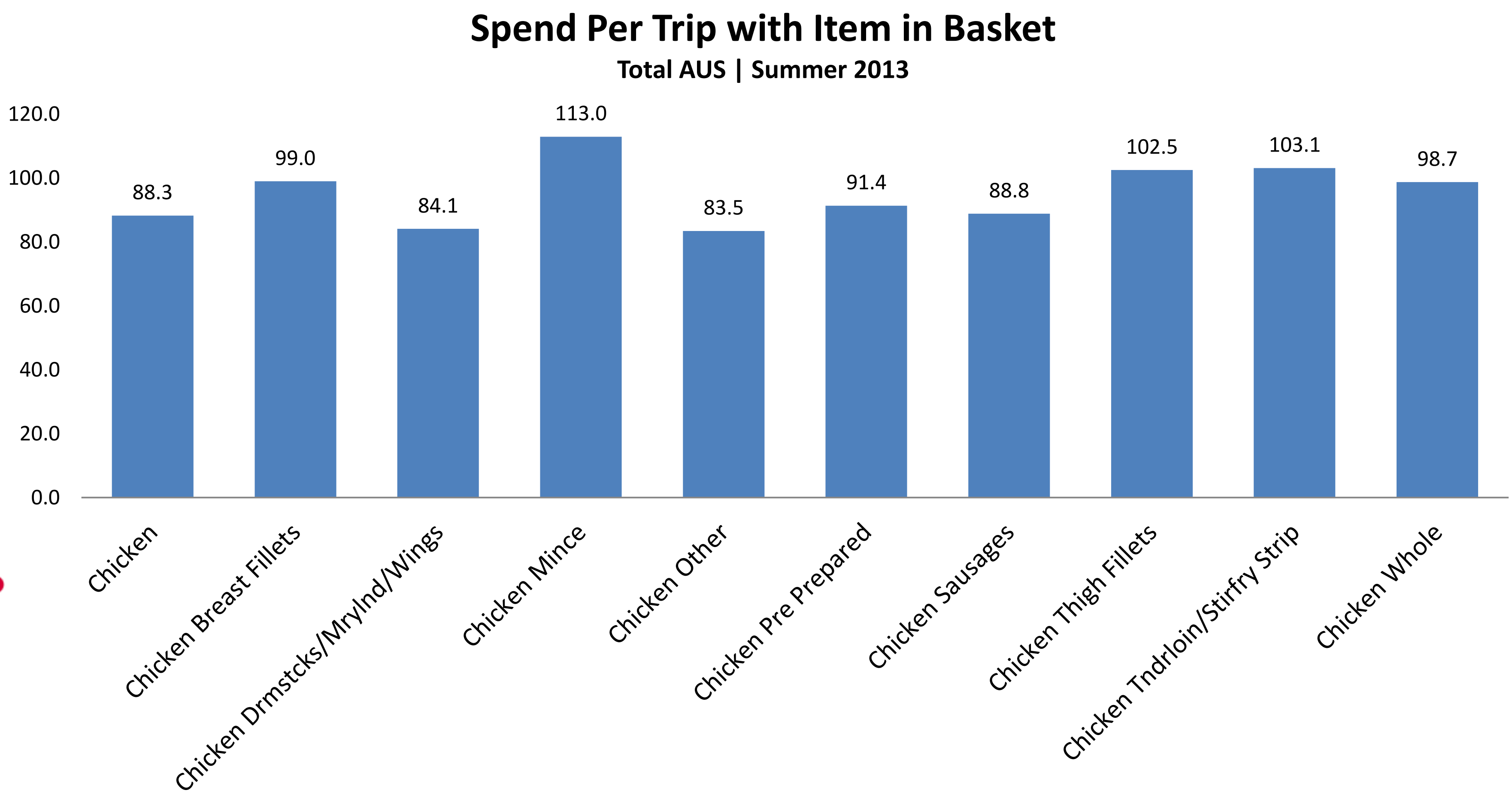
76.3% of Beef Mince buyers are exclusive buyers.

Distribution of Buyers %	(+/- YA)	100.0%	(0.0)
Penetration %	(+/- YA)	86.4%	(0.1)
% Value Contribution	(+/- YA)	100.0%	(0.0)
% Volume Contribution	(+/- YA)	100.0%	(0.0)

Source: Nielsen Homescan BED# 722569/722568

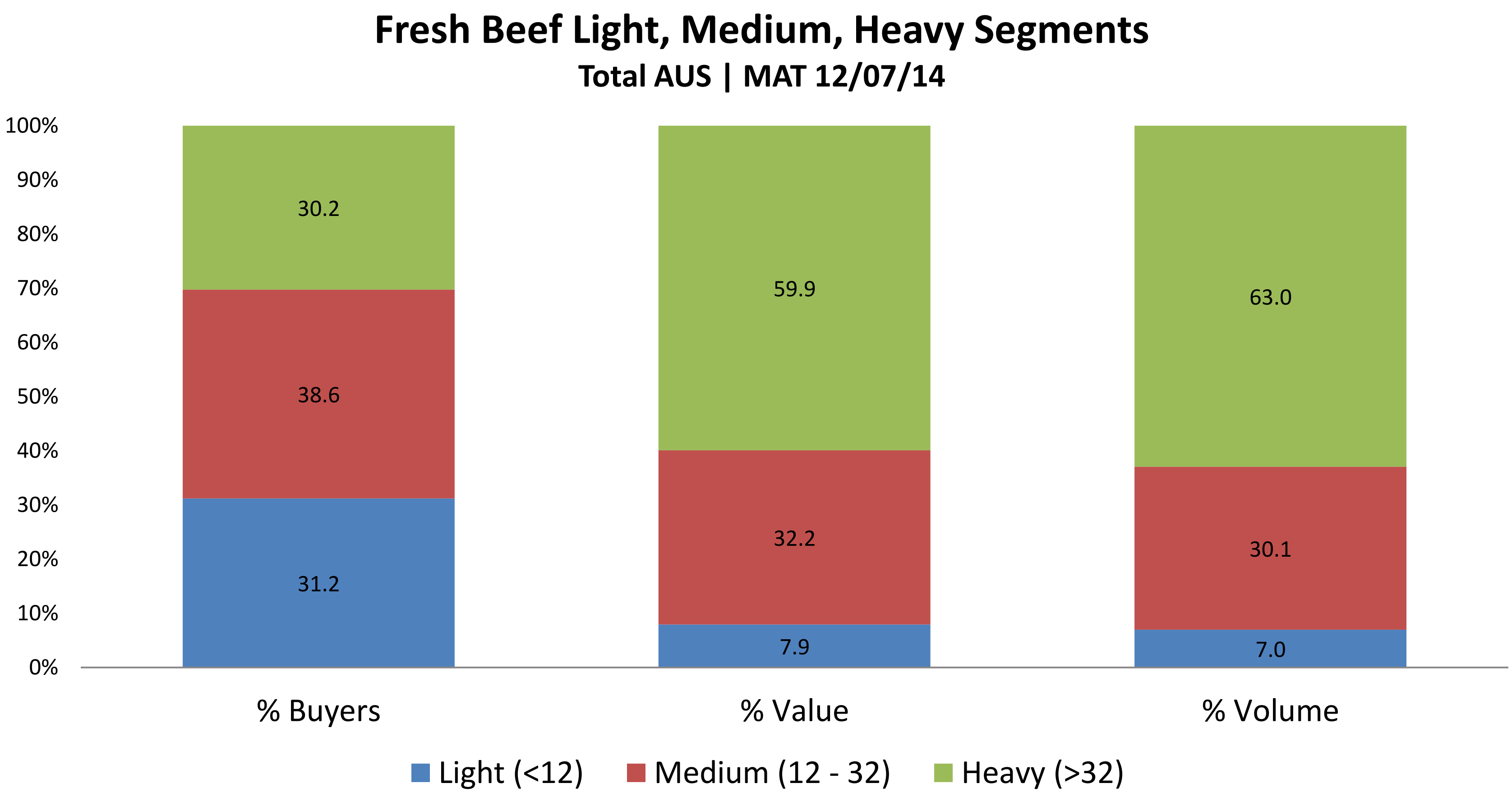
CHICKEN MINCE HAS THE HIGHEST SPEND PER TRIP WITHIN THE CHICKEN CUTS

What else is in the basket which is driving this?



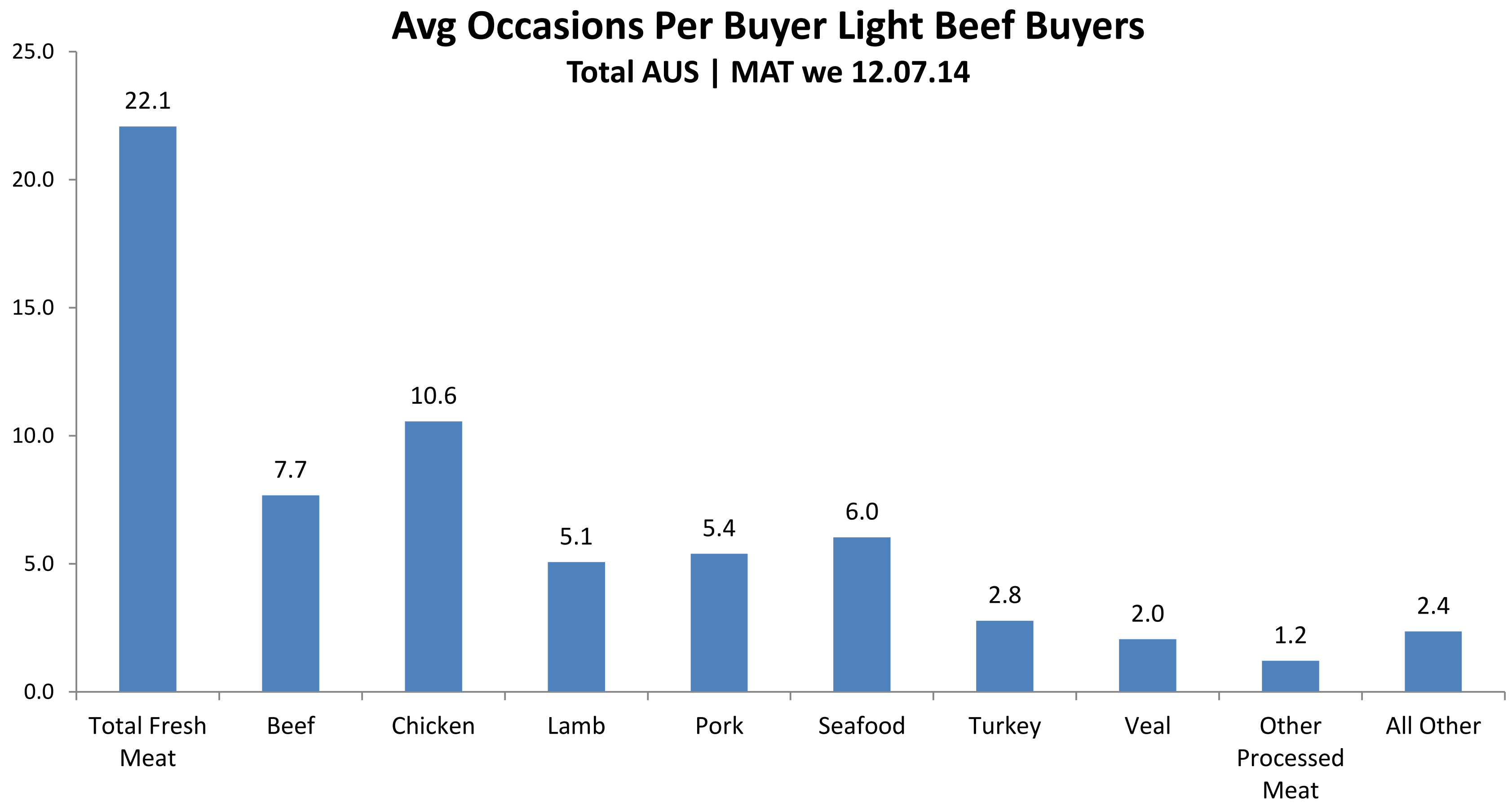
Source: Nielsen Homescan SBV520281 Summer 2013 = 1/12/13 – 22/2/2014

THE HEAVY BEEF BUYERS MAKE UP 30% OF BUYERS BUT 60% OF THE VALUE SALES



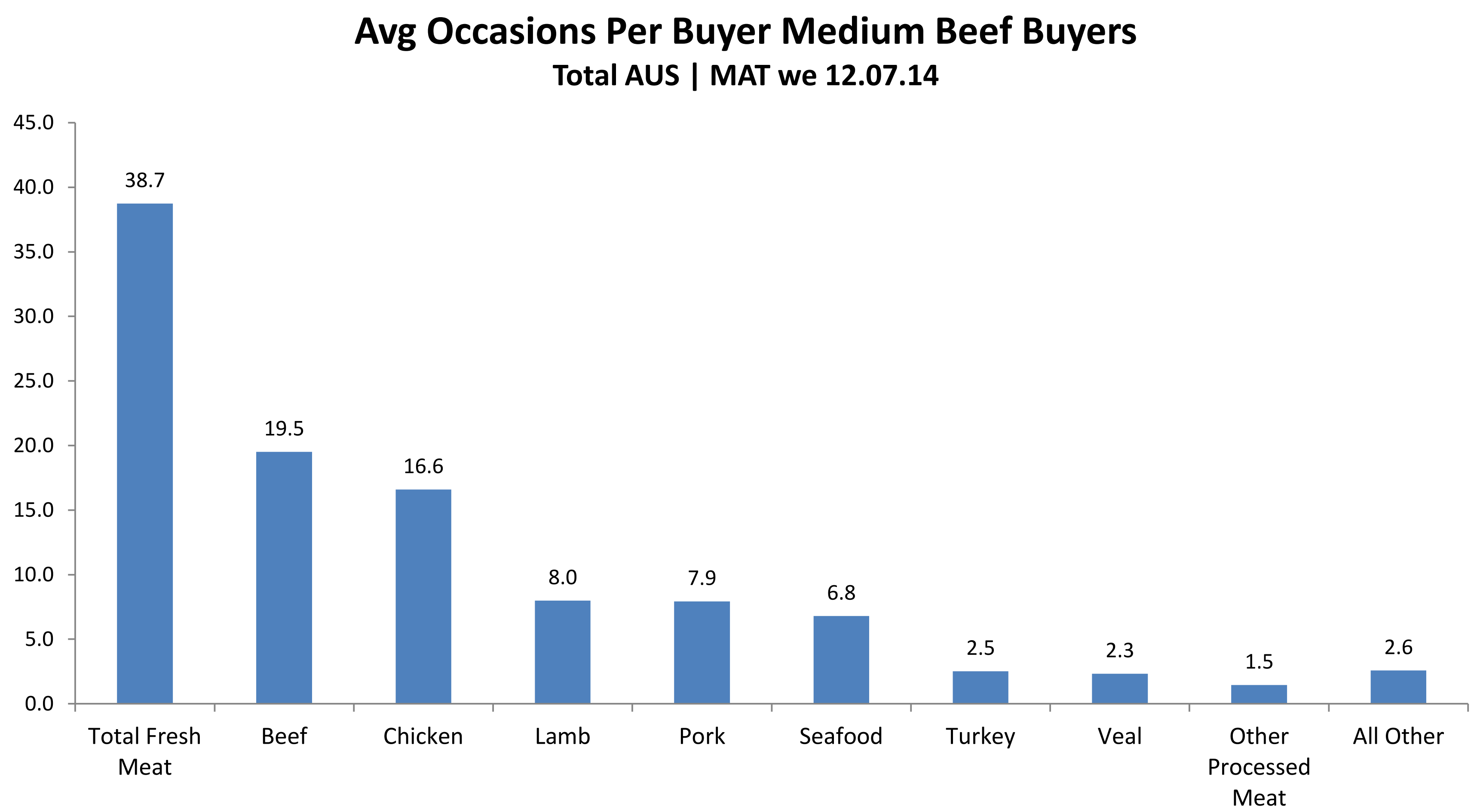
Source: Nielsen Homescan | Issue # BDS520275 Light (vol <=12), Medium (vol >12<=32), Heavy (vol >32)

A LIGHT BEEF BUYER PURCHASES THE FRESH MEAT CATEGORY AN AVERAGE OF 22 TIMES A YEAR. ONLY 7.7 OF THESE OCCASIONS ARE FOR BEEF, CHICKEN HOLDS 10.6 OCCASIONS FOLLOWED BY SEAFOOD AT 6 OCCASIONS



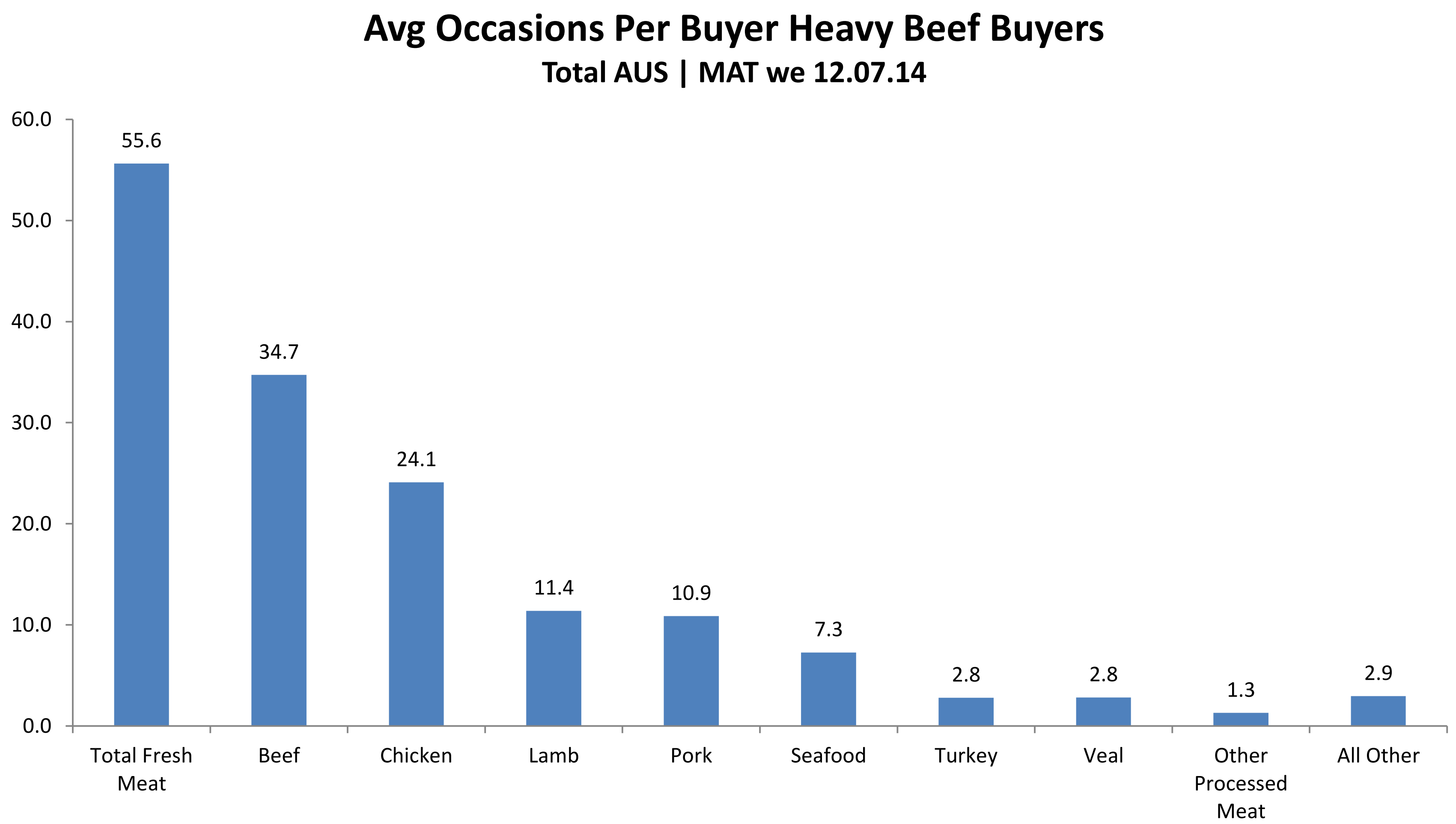
Source: Nielsen Homescan – Issue # MKT520276

A MEDIUM BEEF BUYER PURCHASES THE FRESH MEAT CATEGORY AN AVERAGE OF 38.7 TIMES A YEAR. 19.5 OF THESE OCCASIONS ARE FOR BEEF, CHICKEN HOLDS 16.6 OCCASIONS FOLLOWED BY PORK AT 7.9 OCCASIONS



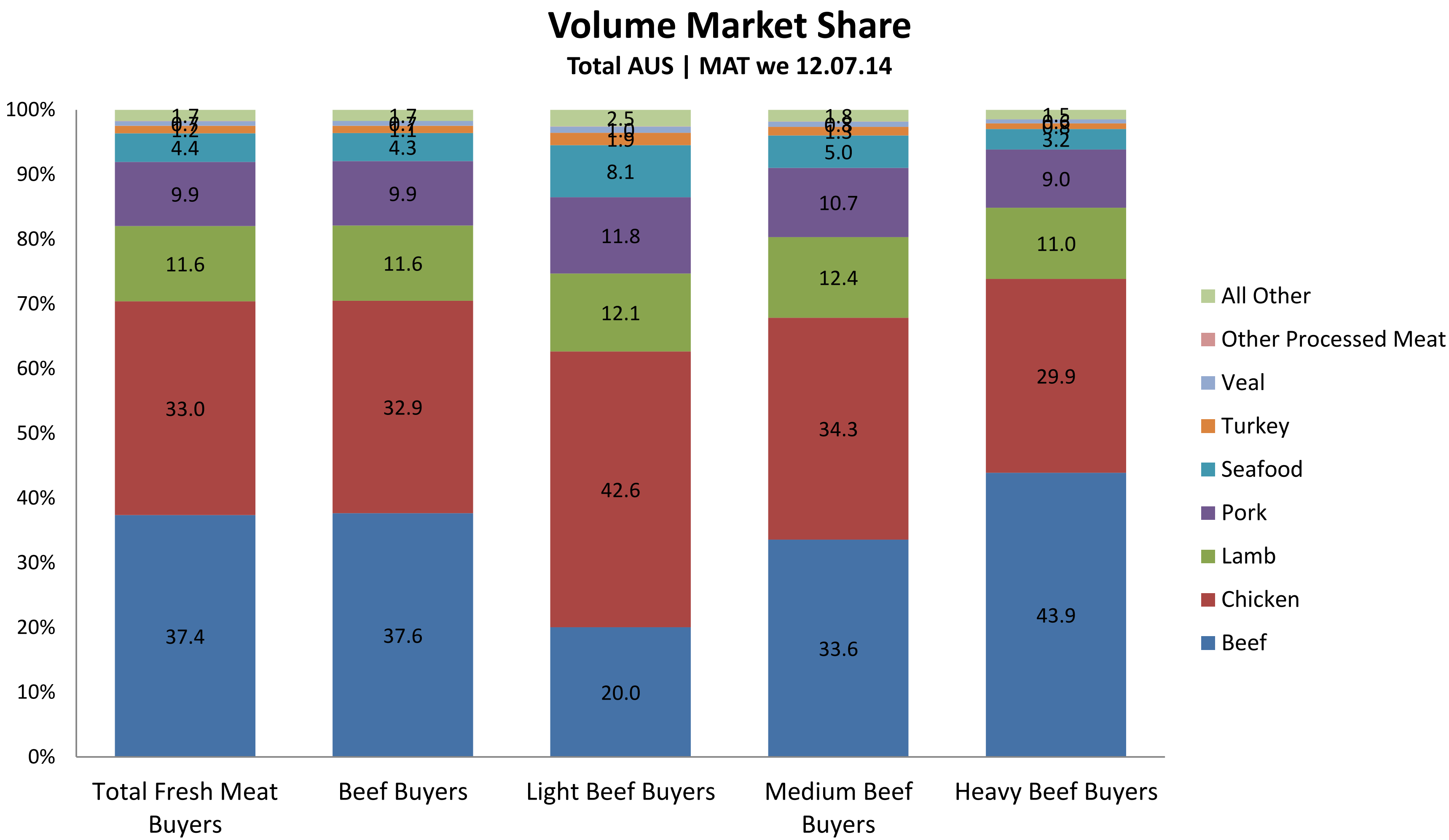
Source: Nielsen Homescan – Issue # MKT520276

A HEAVY BEEF BUYER PURCHASES THE FRESH MEAT CATEGORY AN AVERAGE OF 55.6 TIMES A YEAR. 34.7 OF THESE OCCASIONS ARE FOR BEEF, CHICKEN HOLDS 24.1 OCCASIONS FOLLOWED BY LAMB AT 11.4 OCCASIONS



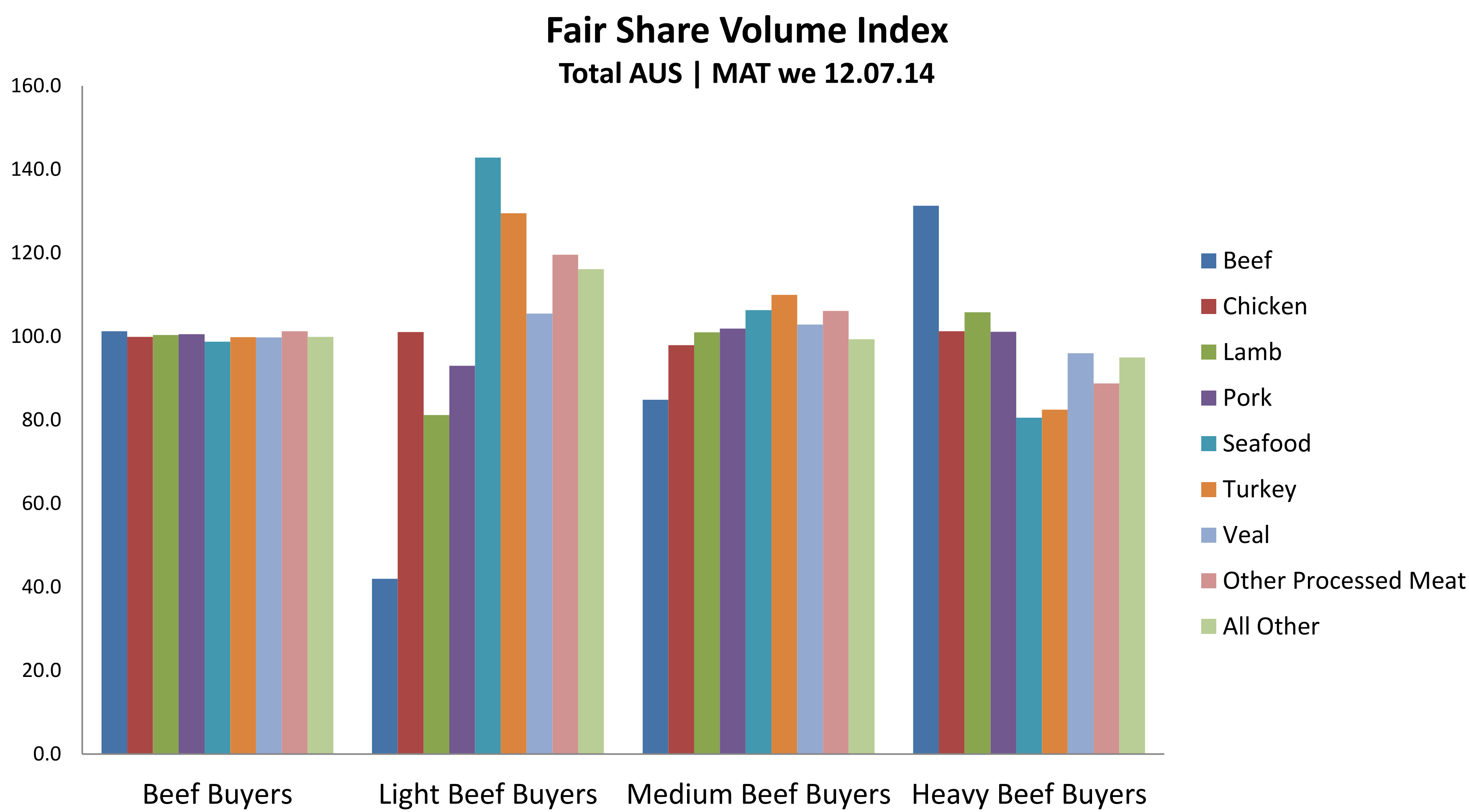
Source: Nielsen Homescan – Issue # MKT520276

LIGHT BEEF BUYERS HAVE A HIGH VOLUME SHARE FOR SEAFOOD, WHILE HEAVY BEEF BUYERS SEEM TO MAINTAIN A HIGH MARKET SHARE FOR LAMB



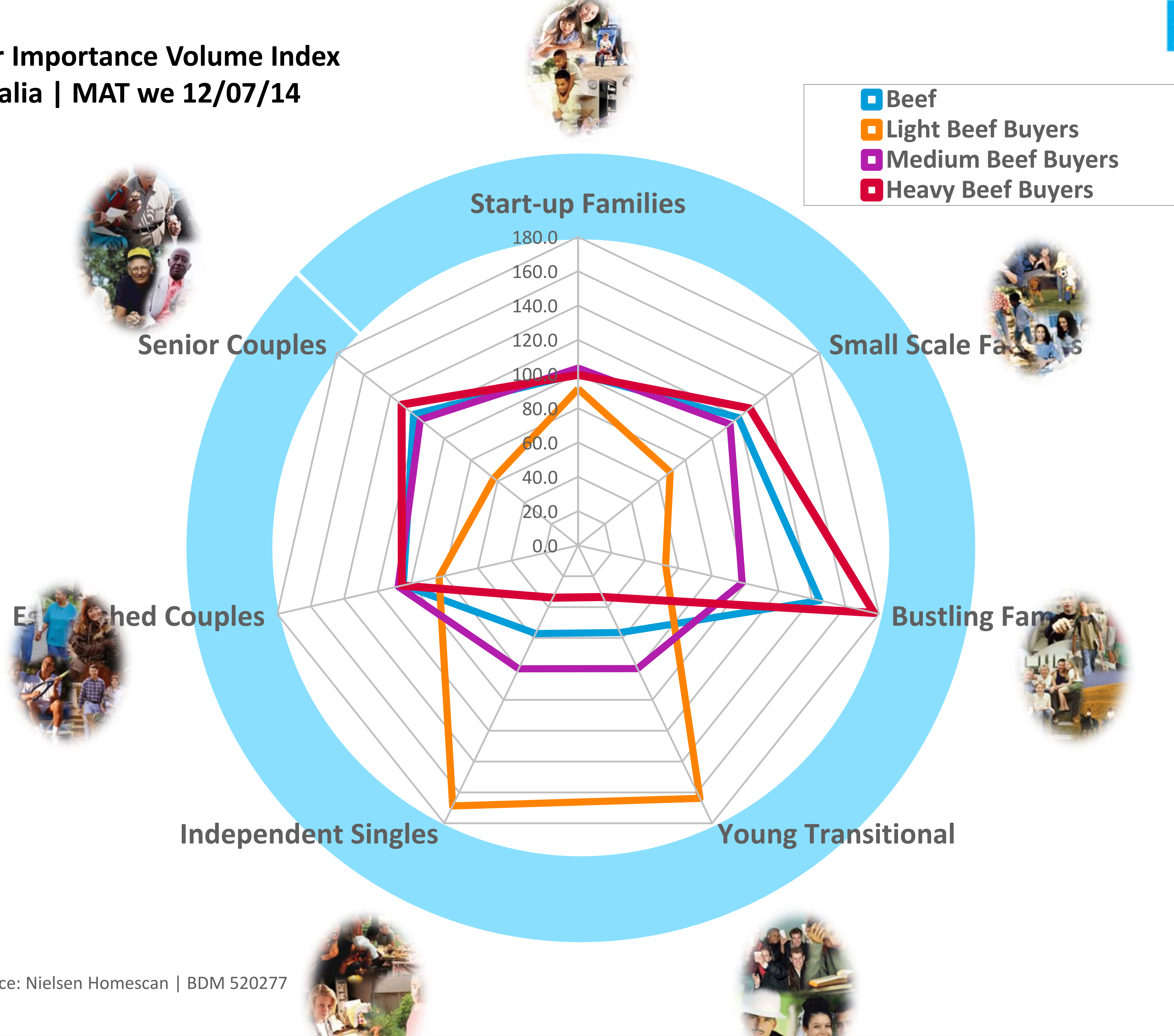
Source: Nielsen Homescan – Issue # CPA 520278

LIGHT BEEF BUYERS OVERINDEX ON SEAFOOD AND TURKEY



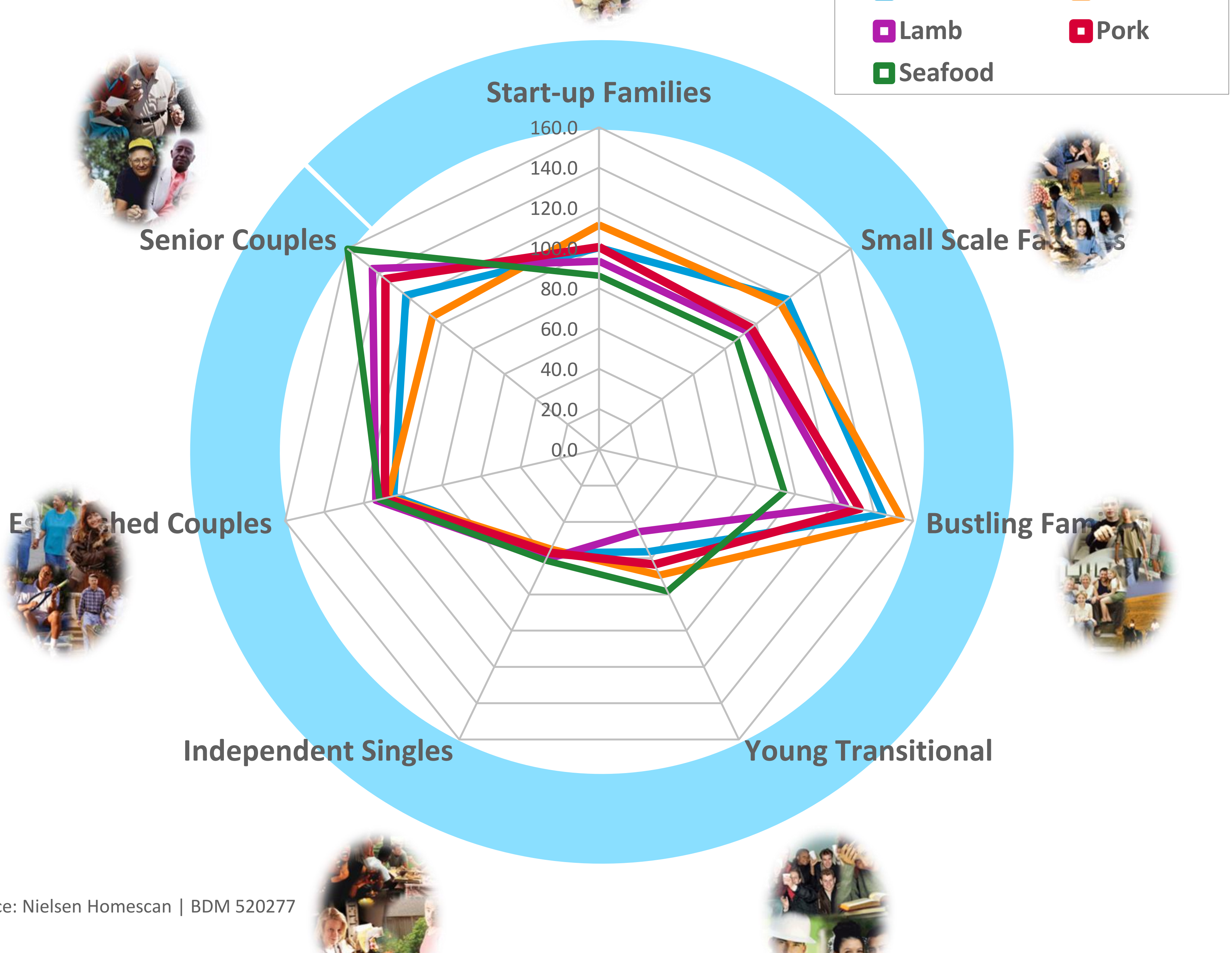
Source: Nielsen Homescan – Issue # CPA 520278

Buyer Importance Volume Index
Australia | MAT we 12/07/14



Source: Nielsen Homescan | BDM 520277

Buyer Importance Volume Index
Australia | MAT we 13/07/13



Source: Nielsen Homescan | BDM 520277

OPPORTUNITIES & RECOMMENDATIONS

HIGHER OPPORTUNITY LIES IF WE FOCUS ON INCREASING 1 FREQUENCY POINTS FOR MEDIUM BEEF BUYERS

SCENARIO 1

If we increase one Frequency point for **LIGHT BEEF BUYERS**

$ 19.4M

SCENARIO 2

If we increase one Frequency point for **MEDIUM BEEF BUYERS**

$ 33.6M

Source: Nielsen Homescan Issue # 751309

FOOD FOR THOUGHT

Focus on driving shopper led strategies to increase the reach of medium beef buyers. e.g. smaller family households through top up and dinner tonight shopper missions.

Maintain the spend from Bustling and Small Scale Families. Target Family buyers to yield more.

Learn more on buyer decision trees. Educate shoppers about the health benefits of having Beef in their daily meal.

HEALTH BENEFITS OF BEEF

Beef is the #1 food source for Protein, Vitamin B_{12} and Zinc!

Beef is also the #3 food source of iron behind fortified cereal and grains

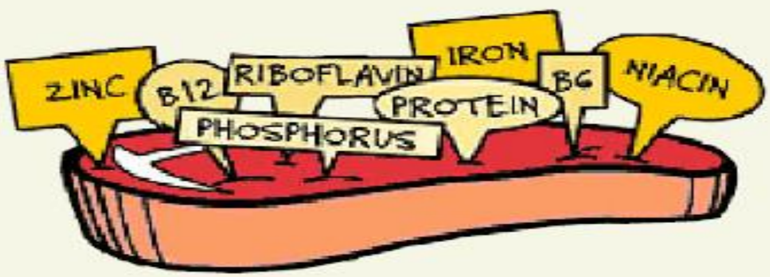
Protein—Helps build a strong and muscular body

Zinc—Helps create a healthy immune system & heal wounds

Phosphorus—Necessary for strong teeth and bones

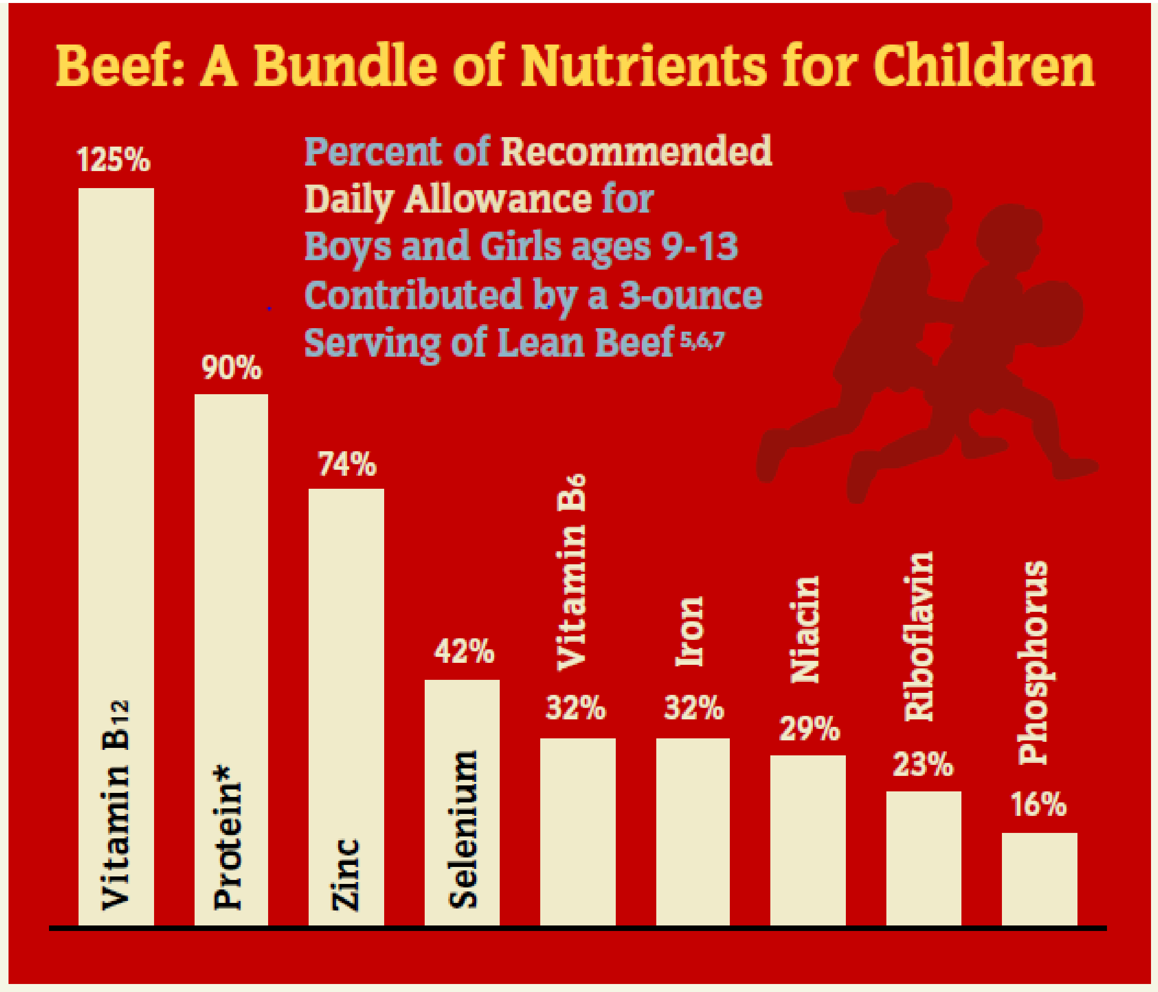
Iron— Helps carry oxygen in the blood to all cells and muscles to prevent fatigue

B-Complex Vitamins (including Vitamin B_{12}, Niacin, Vitamin B_6 and Riboflavin)—Help release energy from food.



Source: ** Secondary research data from http://www.beef.org/

BENEFIT OF BEEF'S NUTRIENTS FOR CHILDREN



Beef supplies an abundant amount of key nutrients to help children and teens grow to be strong and healthy.

Nutrients that are found in beef contributes to optimal growth, cognitive function, red blood cell development and preventing iron deficiency during the adolescent years.

Source: ** Secondary research data from http://www.beef.org/

THANK YOU

APPENDIX

DEMOGRAPHIC LIFESTAGES: BEHAVIOURAL HABITS

- Young Transitionals (Any Size HHs, No Children, <35):
  Hopping from uni classrooms to first jobs to "just married" this group is characterised by an abundance of freedom. With the majority between 25-34 years in white collar professions, You will often find them with money to burn in the dance clubs, bars, shopping on the Internet or at local gyms. They enjoy physically active lifestyles, dining out and professional sporting events. This segment tends to live in rented apartment buildings and the internet is part of everyday life

- Start-Up Families (HHs with Young Children Only < 6):
  Characterised by households with 1-2 children and a mortgage to boot, Nappies, baby food and shelves overflowing with toys fill the home of the Start-Up Family. Entering a life of nappy changes and late night feedings, these consumers are starting their families. Dependent children and their impact on the lives of these 'new' parents sets these consumers apart from the other life stages.

- Small Scale Families (HHs with Oldest Child 6-11):
  Unlike the other life stages with children, the small size of these families often allows the adults to strike a balance between their children and pursuing their own interests. Whether they are single parent families with one or two children or two parent families with one child – time, convenience items, are of increasing importance as many of them work to pay the bills and pay off their mortgage.

- Bustling Families (HHs with Children (Oldest 12+)):
  A mix of younger and older families with the eldest child in their teens skewed toward households of 5 more people. These consumers' lives are hives of activity. With most Heads of Households over 40 years of age. With a higher prevalence of internet access than any other group and 3 or more TV sets running at any one time these households are embracing the information age. The children in these households are dependent on their parents for many things. At the peak of their earning power, these households work hard to afford their children the latest trend; which often means both parents are working.

- Independent Singles (1 Person HHs, No Children, 35+):
  Predominantly female households, split between older and younger consumers, most consumers get to this life stage either through divorce or from never having been married. 79% of this group over 50 years of age, paid off their mortgage, and typically have a lower than average annual income. In addition, this has the lowest levels of internet access than any group (39%). With the 21% who are at the younger end of their life, you will find these consumers living in apartments, are often working in professional white collar established careers dining out with friends or working late in the office.

- Established Couples (2+ Person HHs, No Children, 35 – 59):
  This group is a mix of empty nesters, those who have not had children or those who still have adult children (>17) at home. Many are dual income families reaching their peak earning potential with above average household incomes split between those who own and are still mortgaging their home. They tend to live in large houses and can afford the often three TV's, internet access and all the mod cons our busy lifestyles have become accustom to.

- Senior Couples (2+ Person HHs, No Children, 60+):
  Companionship, rather than age, most influences the behaviour of this group. You might find the husband reading the latest issue of *Reader's Digest* as his wife knits in her chair. They are quite active, but not as active as Established Households. In addition, Senior Couples are more likely to still live in the family home, a larger house left over from family life with children. At 86%, this life stage has the highest level of home ownership.