THE QUESTION
A SNAPSHOT ON CHOCOLATE
CASE STUDIES: BRAZIL AND CHINA
CASE STUDY: US
CASE STUDIES: SPAIN AND UK
KEY CONCLUSIONS
Q&A
THE QUESTION

Money Is Tight… So Is It All Over For Chocolate?
Living In Uncertain Times

+5.2%  
2010

+3.8%  
2011

+3.3%  
*2012

+3.6%  
*2013

*GDP Growth in 2012 and 2013 is forecasted

Source: IMF World Economic Outlook. July 2012
ECONOMIC UNCERTAINTY

Not Only In Developed Economies…

- Eurozone Sentiment Dampened by Debt Worries
- US Unemployment above 8%
- Domestic Demand in China Weakens
- Economy in Brazil and Argentina Cools Down
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Chocolate Growth Accelerates In 2012

Chocolate Confectionery.
Global Retail Value Growth (%)

- Real GDP Growth
- Chocolate Confectionery*

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%). 2012 is partially estimated.
Emerging Markets Lead Growth

Chocolate Confectionery.
Retail Value Sales Breakdown by Region. 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Retail Value Share</th>
<th>2011-12 Retail Value Growth (%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>35%</td>
<td>1.1</td>
</tr>
<tr>
<td>North America</td>
<td>20%</td>
<td>1.8</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>15%</td>
<td>1.4</td>
</tr>
<tr>
<td>Latin America</td>
<td>11%</td>
<td>10.3</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>12%</td>
<td>4.3</td>
</tr>
<tr>
<td>Australasia</td>
<td>3%</td>
<td>0.9</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>4%</td>
<td>4.7</td>
</tr>
</tbody>
</table>

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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Boxed Assortments and Seasonal Chocolate Stand Out

Chocolate Confectionery. Retail Value Sales Breakdown by Category. 2012

- Countlines 26%
- Boxed Assortments 20%
- Chocolate with Toys 3%
- Seasonal Chocolate 10%
- Tablets 25%
- Bagged Selflines/Softlines 15%
- Other Alfajores 0%

2011-12 Retail Value Growth (%)*
- 10.1
- 2.2
- 3
- 3.1
- 2.8
- 2.6
- 1.6

*Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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Hot Market Opportunities In Brazil And China


* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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A SNAPSHOT ON CHOCOLATE

Size Matters... For Chocolate At Least

Chocolate Confectionery. Distribution Breakdown (%). Global Retail Value. 2012

*Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)*
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### Case Study: Chocolate Confectionery in Brazil

**Chocolate Confectionery in Brazil.**
**Retail Value Sales. US$ Million. 2012**

- **Other Chocolate Confectionery:** 2.7%
- **Tablets:** 18.1%
- **Seasonal Chocolate:** 11.1%
- **Countlines:** 13.5%
- **Chocolate with Toys:** 12.4%
- **Boxed Assortments:** 15.4%
- **Bagged Selflines/Softlines:** 10.9%

*2011-12 Retail Value Growth (%)*

- Chocolate benefits from improvement in purchasing power
- Innovation underpins growth of Boxed Assortments
- Filled formats spur demand in tablets

*Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)*
Hershey benefits from Joint Venture with Pandurata Alimentos

Sonho Valsa
Kraft Foods Brasil
Case Study: Chocolate Confectionery In China


- Countlines benefit from new launches
- Premium chocolate specialists drive growth of Boxed Assortments
- Bagged Selflines bank on 'affordable snacking' trend

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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Luxury And Positioning Drive Demand In China

Crispy Shark Wafer
Nestlé China

Ferrero Rocher
Ferrero China Ltd

Nestlé SA. Retail Value Share (%) in China. Countlines

Ferrero Rocher Group. Retail Value Share (%) in China. Boxed Assortments
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Case Study: Chocolate Confectionery In US

Chocolate Confectionery in US. Retail Value Sales. US$ Million. 2012

- Countlines tap into ‘indulgence on the go’
- Sport events underpin positive growth for Bagged Selflines/Softlines

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)
Convenience, Price…And Mrs Brown

Snickers ‘2-to-Go’ Mars Inc

‘Mrs Brown’ Mars Inc

‘Snickers’. Retail Value Share (%) in US. Countlines

Percentage Share (%)

2010 2012

15 20 25

‘M&M’. Retail Bagged Selflines/Softlines

Percentage Share (%)

2010 2012

49.5 50 50.5
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Case Study: Chocolate Confectionery In Spain

Chocolate Confectionery in Spain.
Retail Value Sales. US$ Million. 2012

- Chocolate snacking benefits from longer working-hours
- Low retail unit prices underpin growth of Bagged Selflines/Softlines and Countlines

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)*
CASE STUDIES: SPAIN

‘Dare To Show Your Soft Side’

Milka
‘Dare To Show Your Soft Side’
Kraft Foods España

‘Kit Kat Mini’
Nestle SA

‘Milka’. Retail Value Share (%) in Spain. Tablets

‘Kit Kat’. Retail Value Share (%) in Spain. Countlines
Case Study: Chocolate Confectionery In UK

Chocolate Confectionery in UK. Retail Value Sales. US$ Million. 2012

- Other Chocolate Confectionery: 4
- Tablets: 0
- Seasonal Chocolate: 0
- Countlines: 0
- Chocolate with Toys: 0
- Boxed Assortments: 0
- Bagged Selflines/Softlines: 0

2011-12 Retail Value Growth (%)*

- Low-priced chocolate snacks benefit from major celebrations in 2012
- Bag-sharing snacking thrives during sports events, national celebrations

* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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All You Need Is Sharing…

Green & Black’s ‘Tasting Collection’
Green & Blacks Ltd

‘Bitsa Wispa’
April 2012
Cadbury UK Ltd

‘Green & Black’s’. Retail Value Share (%) in UK. Tablets

‘Bitsa Wispa’. Retail Value Share (%) in UK. Selflines/Softlines
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Chocolate Is (Still) For Everyone

- Demand Booms In Emerging markets
- Indulgence And Quality Rule In ‘Intermediate Economies’
- Affordable Snacking And ‘Emotion’ Thrive In EU Countries
THE QUESTION

Money Is Tight… So Is It All Over For Chocolate?
THE QUESTION

Money Is Never Tight For Chocolate!
THANK YOU FOR LISTENING

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