



MAXIMISING OPPORTUNITIES IN GLOBAL PET CARE

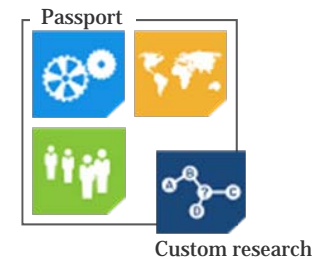
PAULA FLORES – HEAD OF PET CARE RESEARCH

16 APRIL 2013



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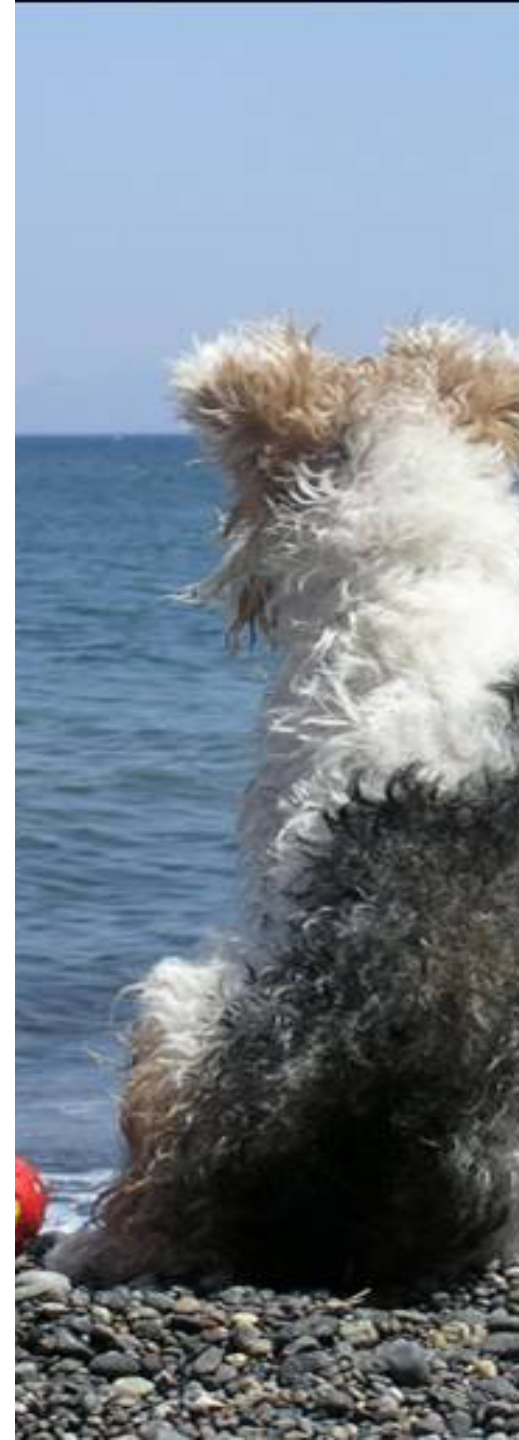


INDUSTRY PERFORMANCE

GLOBAL TRENDS

REGIONAL OVERVIEW

FUTURE PROSPECTS





Living In Uncertain Times

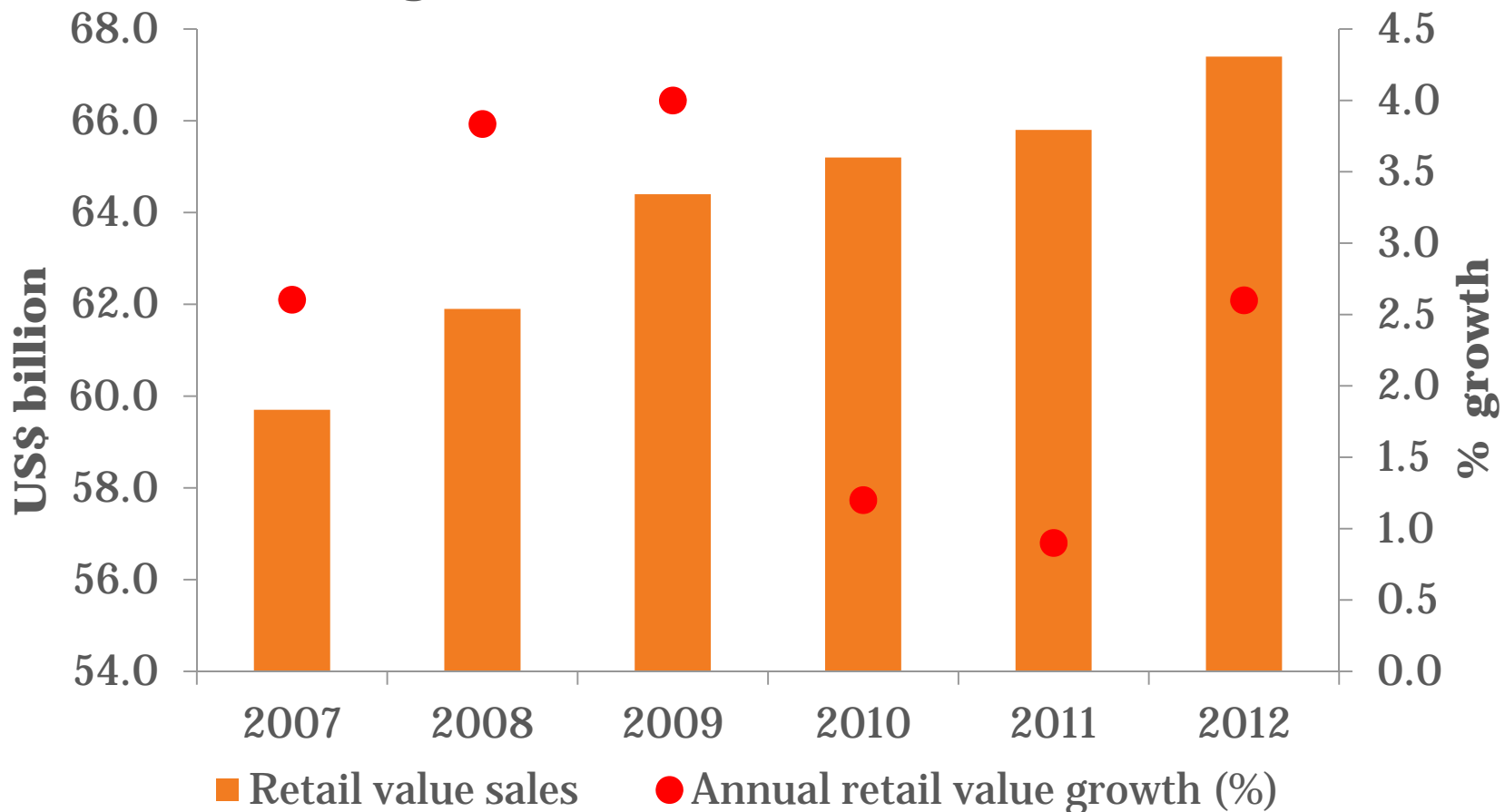


Source: Euromonitor International from national statistics/Eurostat/OECD/UN/International Monetary Fund (IMF), World Economic Outlook (WEO)



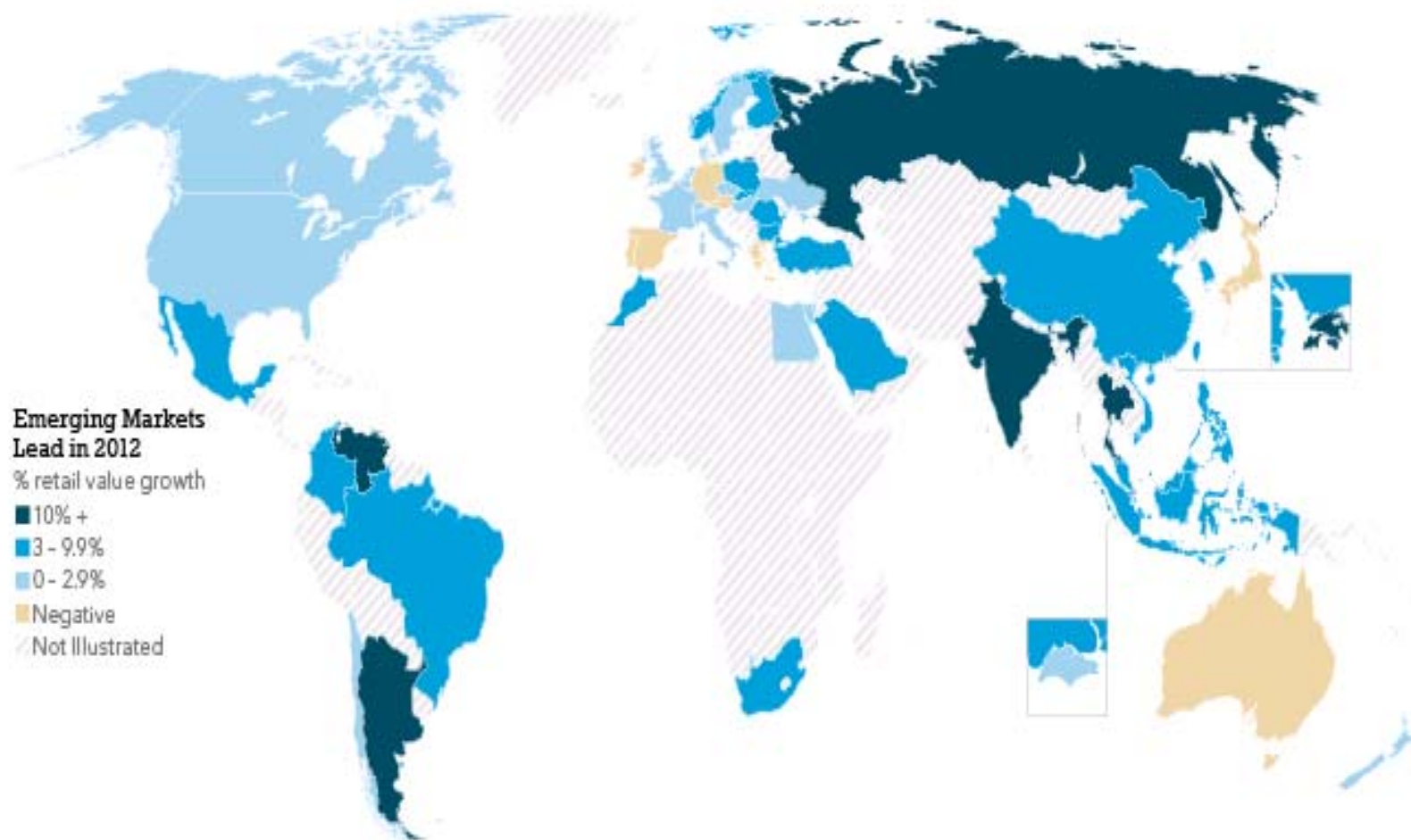
Dog and Cat Food Retail Performance

Global Dog and Cat Food Retail Values: 2007-2012





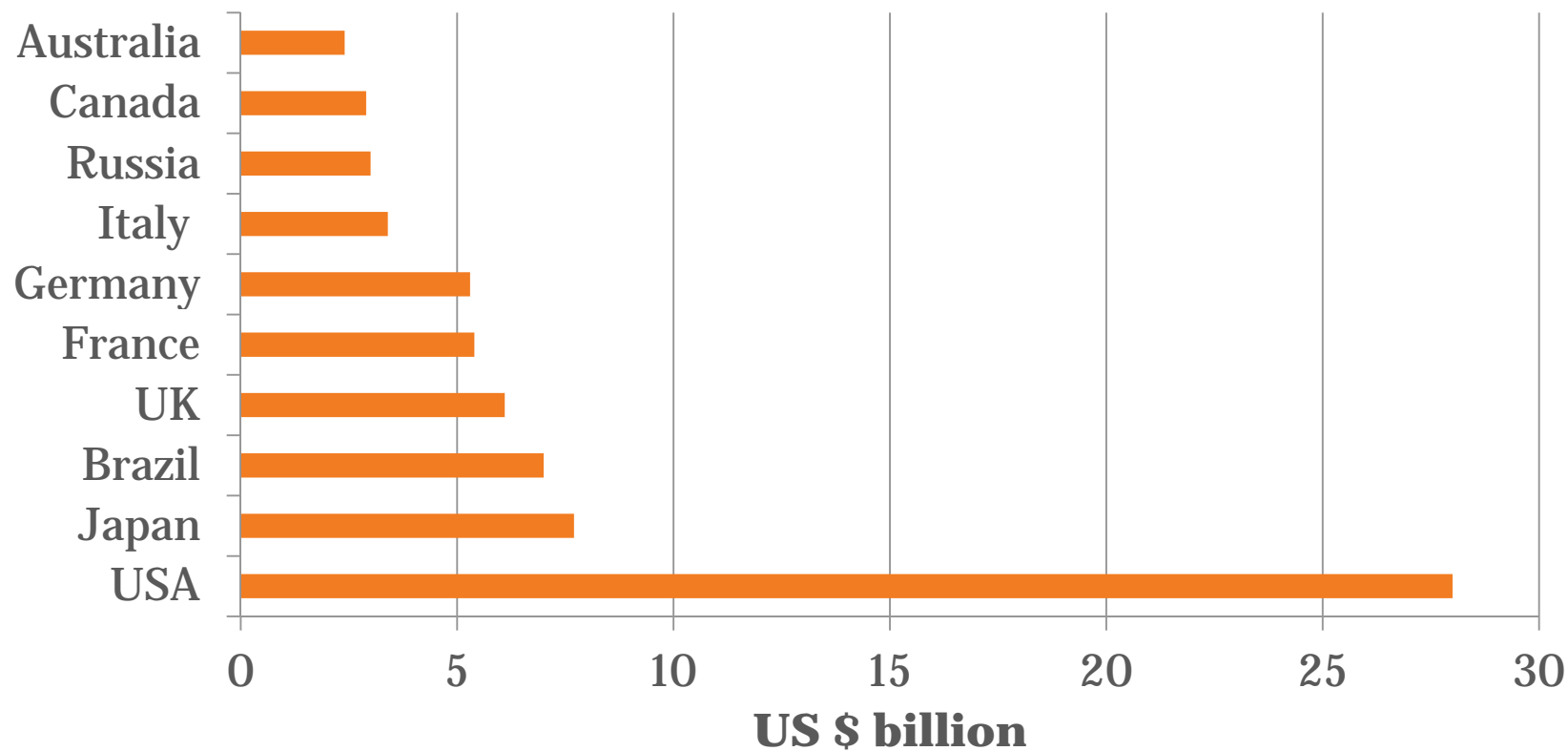
And Pet Care...at Different Speeds in 2012





Top 10 Largest Markets in 2012

Pet Care Top 10 Largest Markets by Retail Value

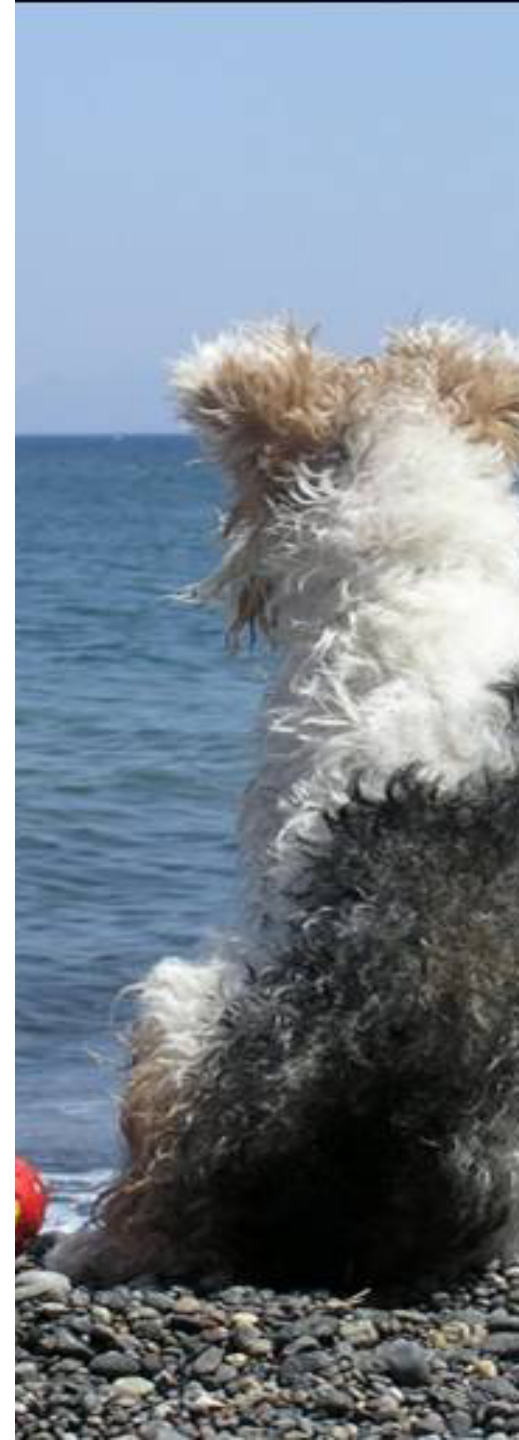


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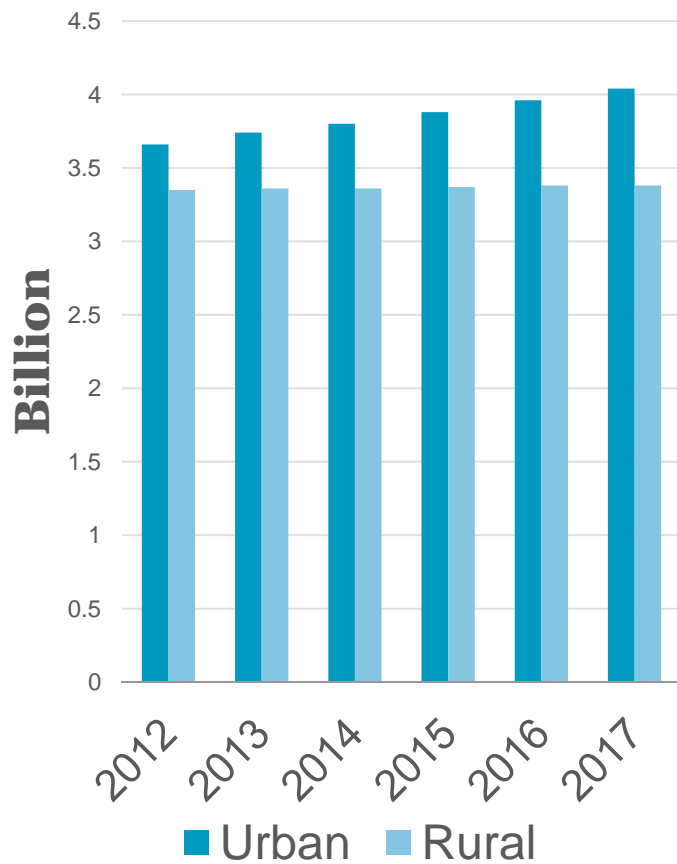
FUTURE PROSPECTS



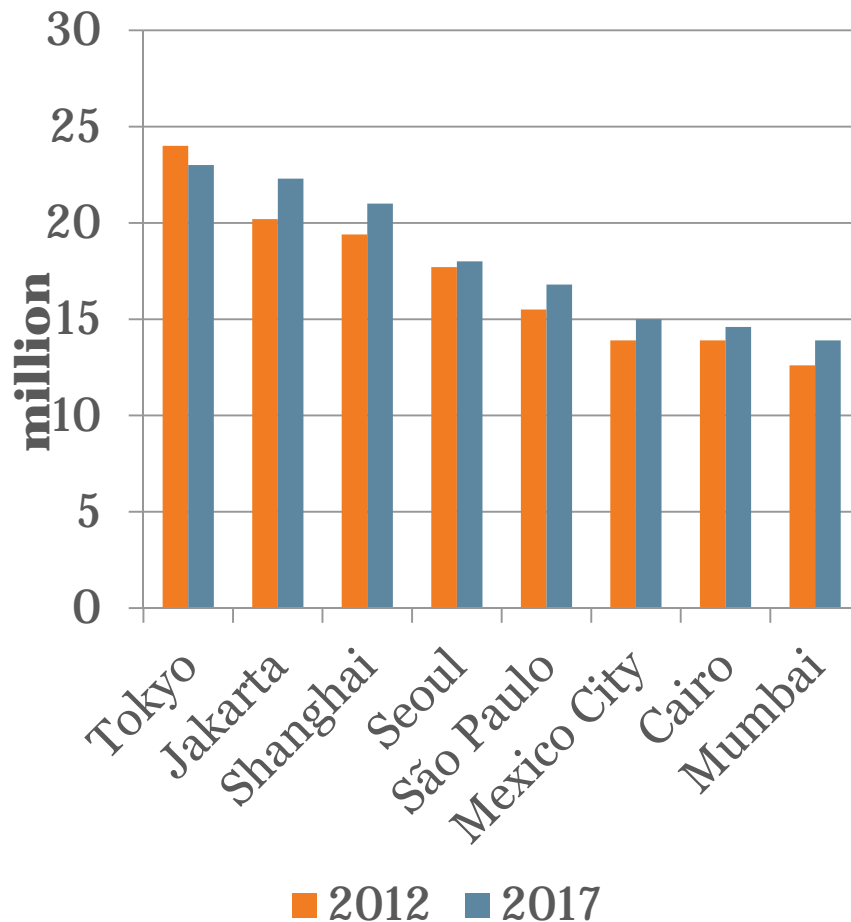


Urbanisation Gathering Pace

Global Urban vs Rural Split: 2012-2017

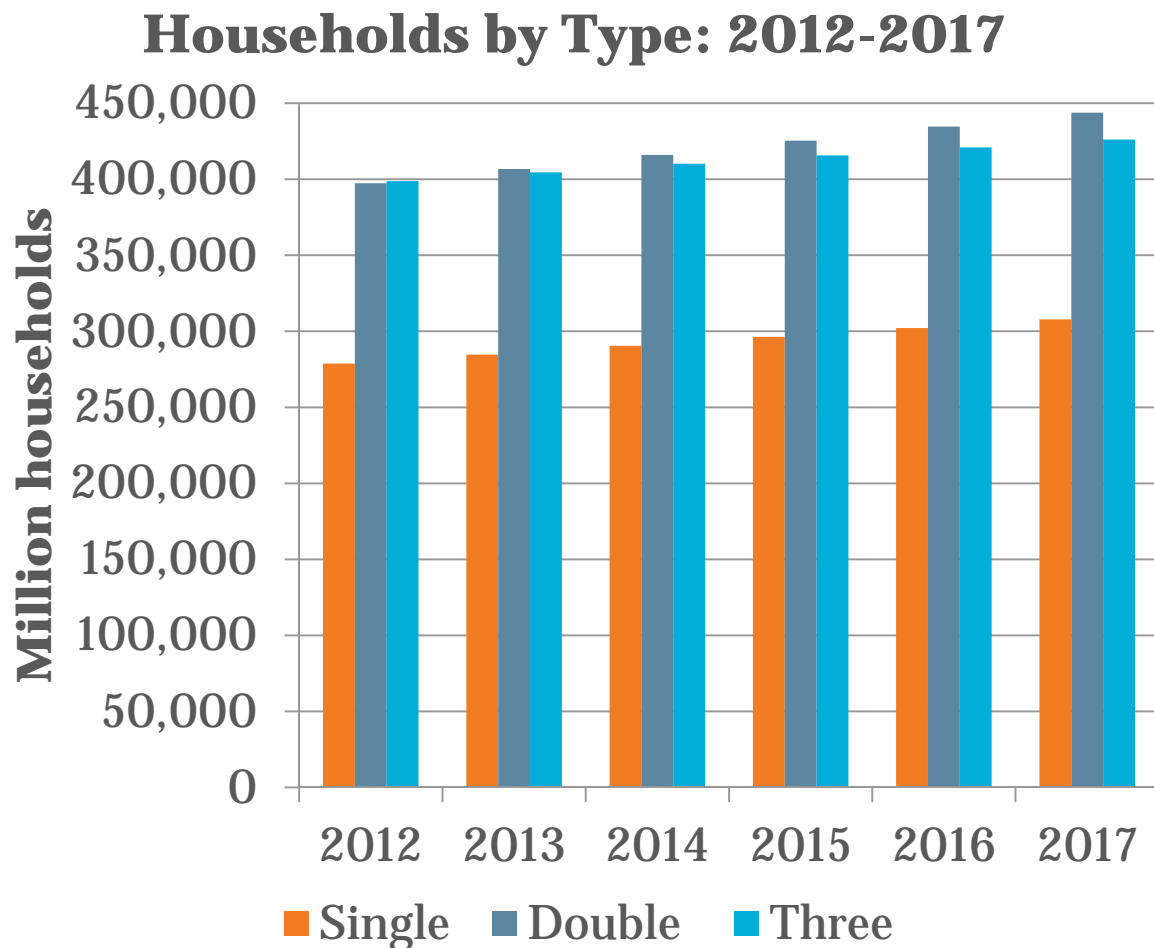


Largest Population by City 15-64





Single and DINKS...Promising Perspectives

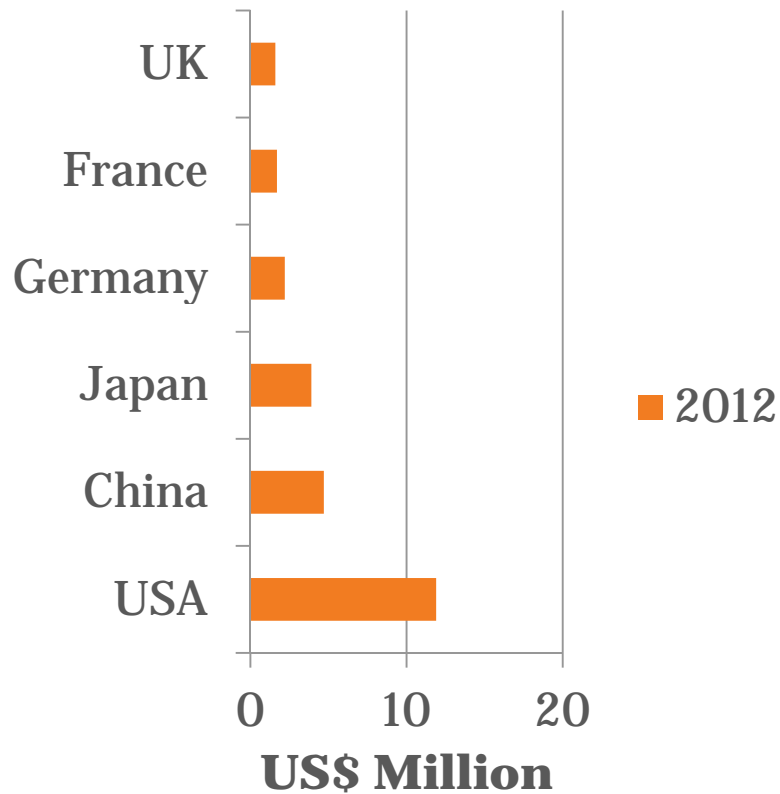


- As disposable incomes rise in emerging markets, more consumers enter the prepared food market
- Couples without children and rising disposable incomes are the main target (DINKS)

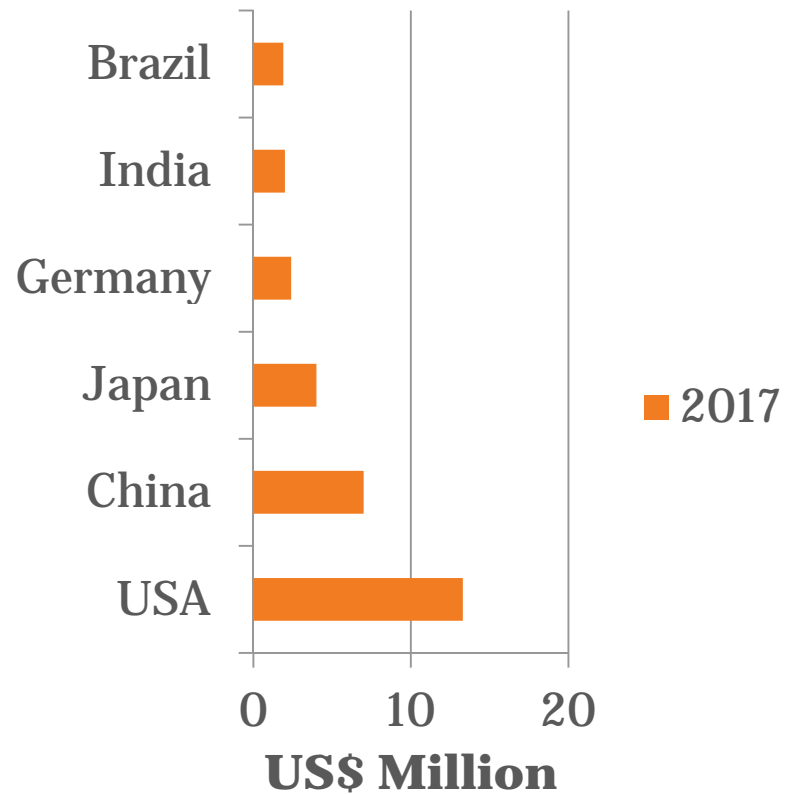


Disposable Incomes on the Rise...in Emerging Markets

Annual Disposable Income: 2012

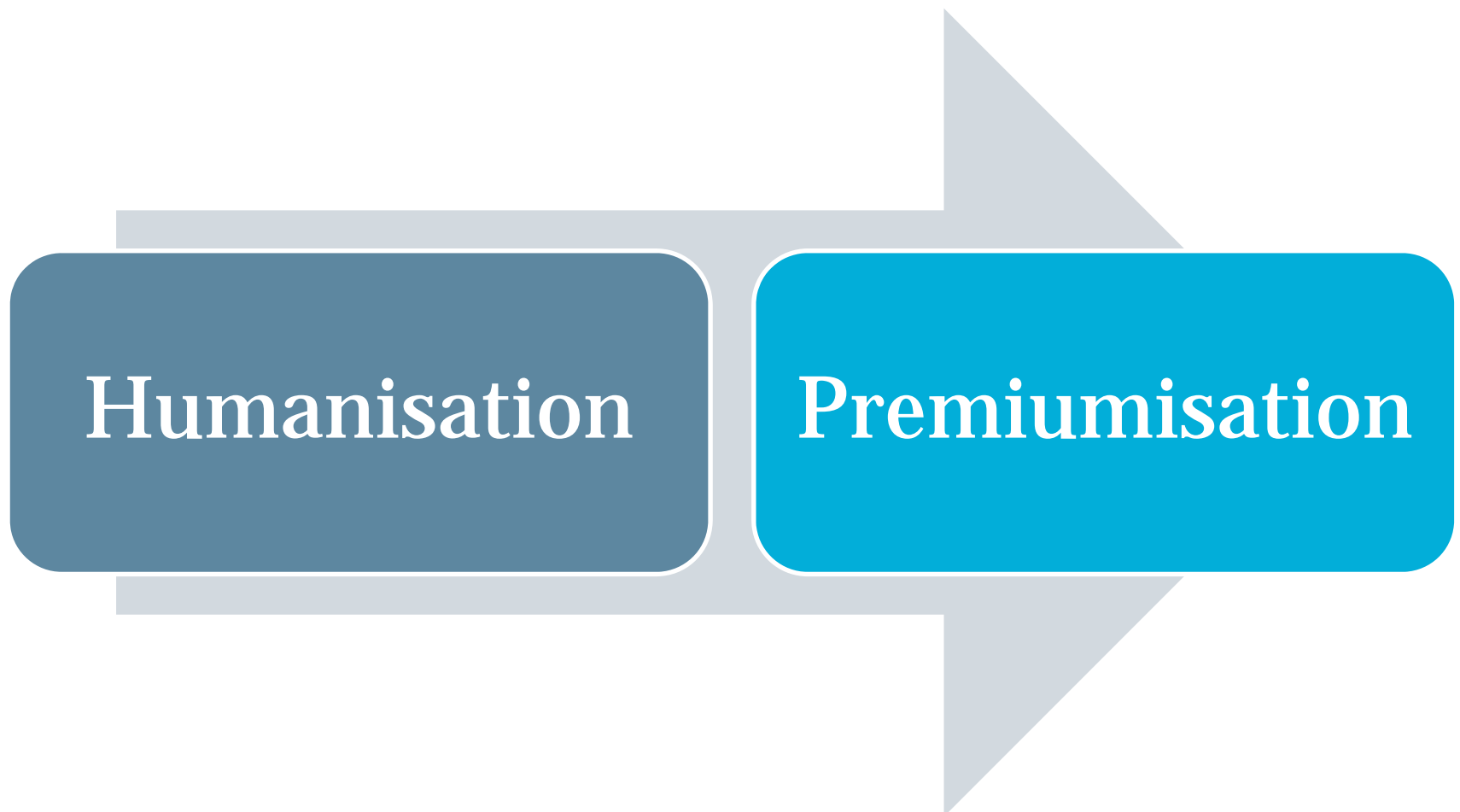


Annual Disposable Income: 2017





Global Pet Care Drivers





Global Pet Care Drivers





Global Pet Care Drivers



Saudi Arabia: Pet Facial Scrub



Israel: Pet Head



Global Pet Care Drivers



Purina One Beyond
South Africa Q1 2013



UAE Iams Pro Active Health
Launched 2012



Global Pet Care Drivers



Israel: Nature's Variety Instinct



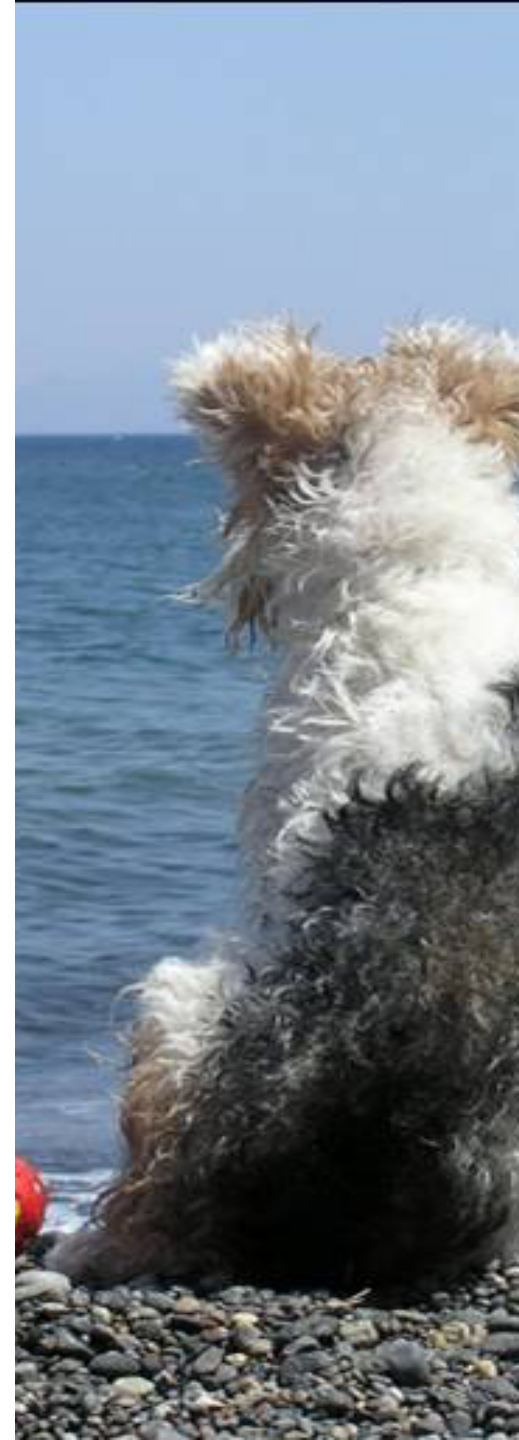
Dog Bakery in Canada

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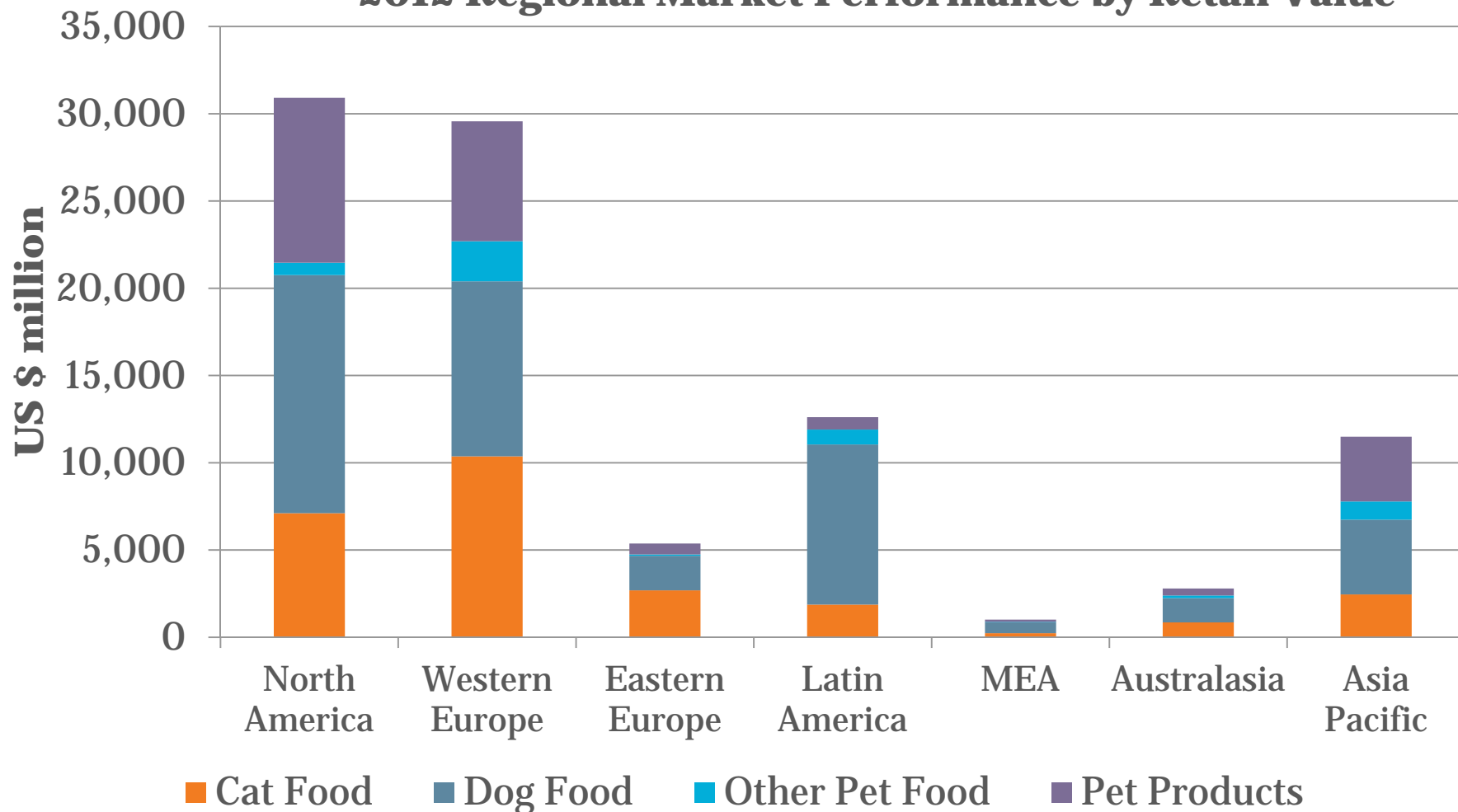
FUTURE PROSPECTS





Largest Categories by Region

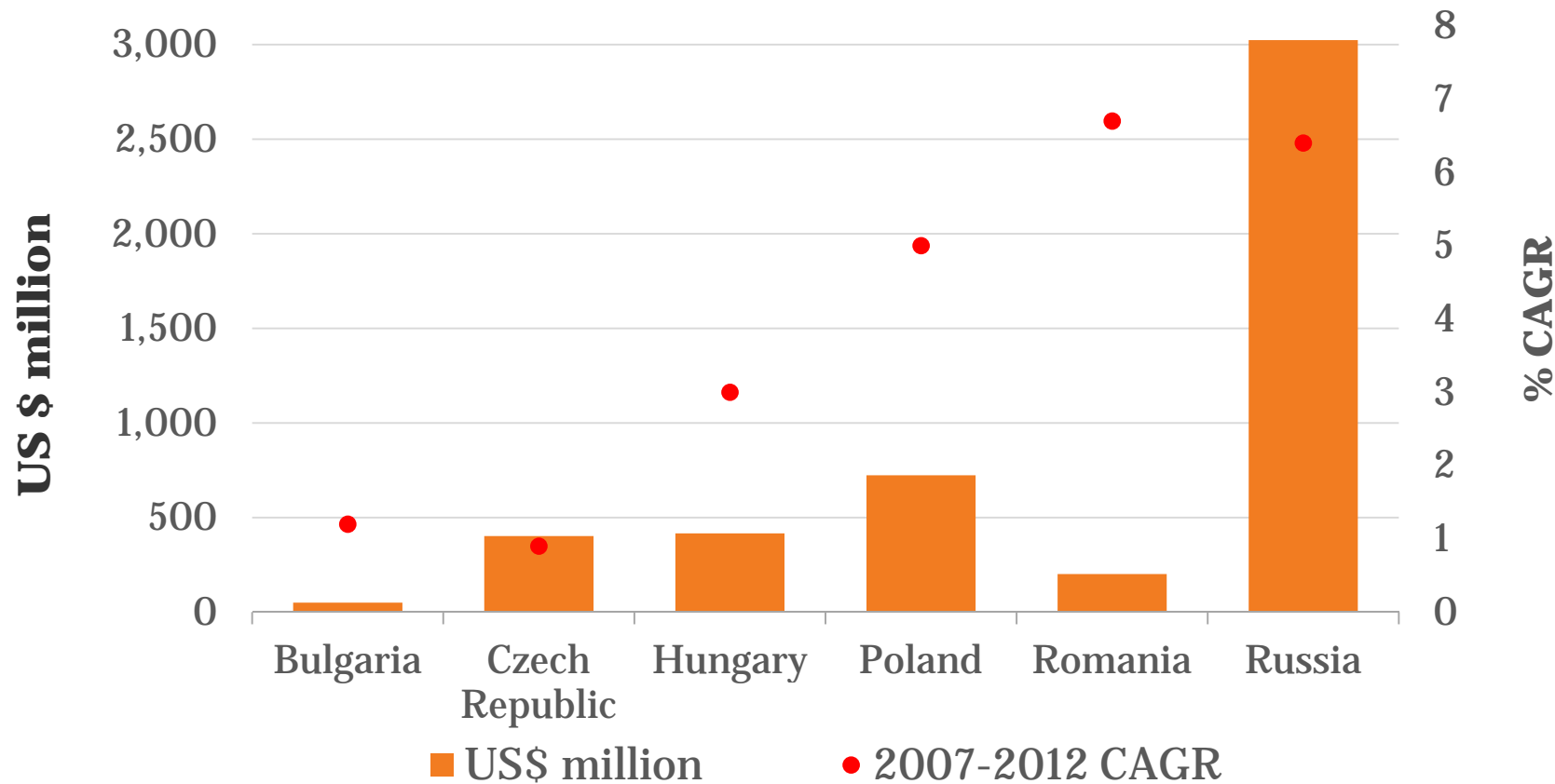
2012 Regional Market Performance by Retail Value





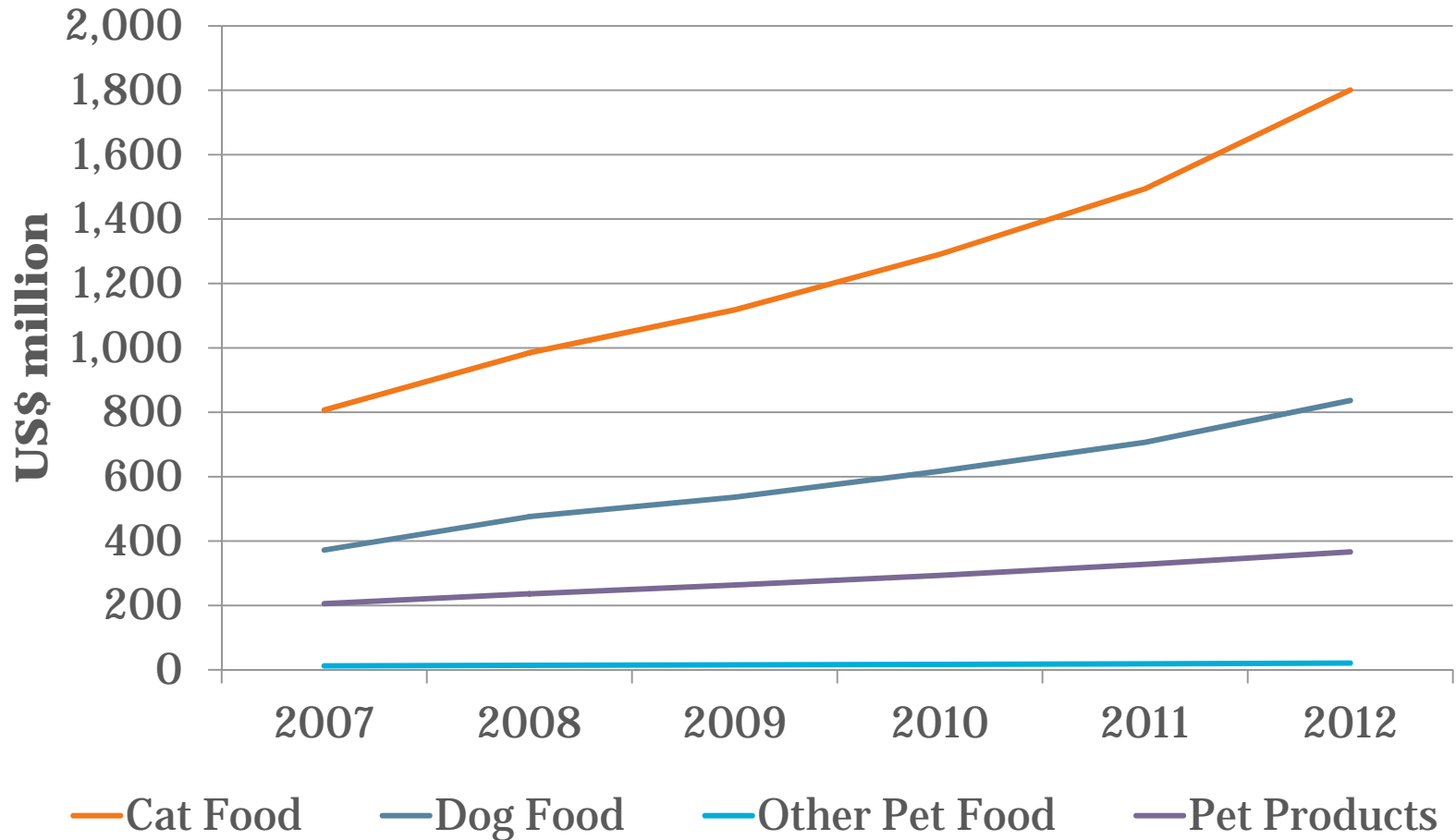
Eastern Europe: Vibrant Russian Market Drives Regional Sales

Pet Care Retail Value Sales in Eastern European Markets: 2012

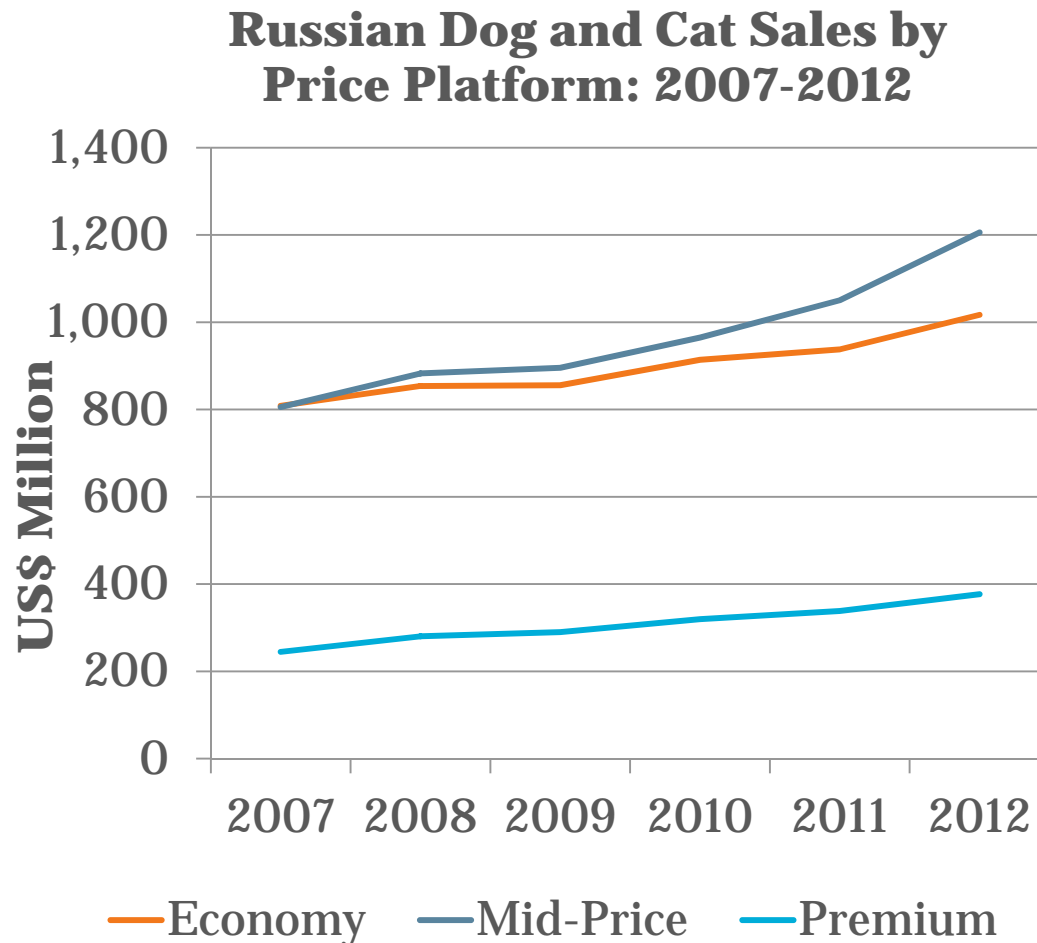


Buoyant Russian Market with Plenty of Potential

Russian Pet Care Retail Value Sales: 2007-2012



Russian Consumers Opt for Mid-Priced Pet Food

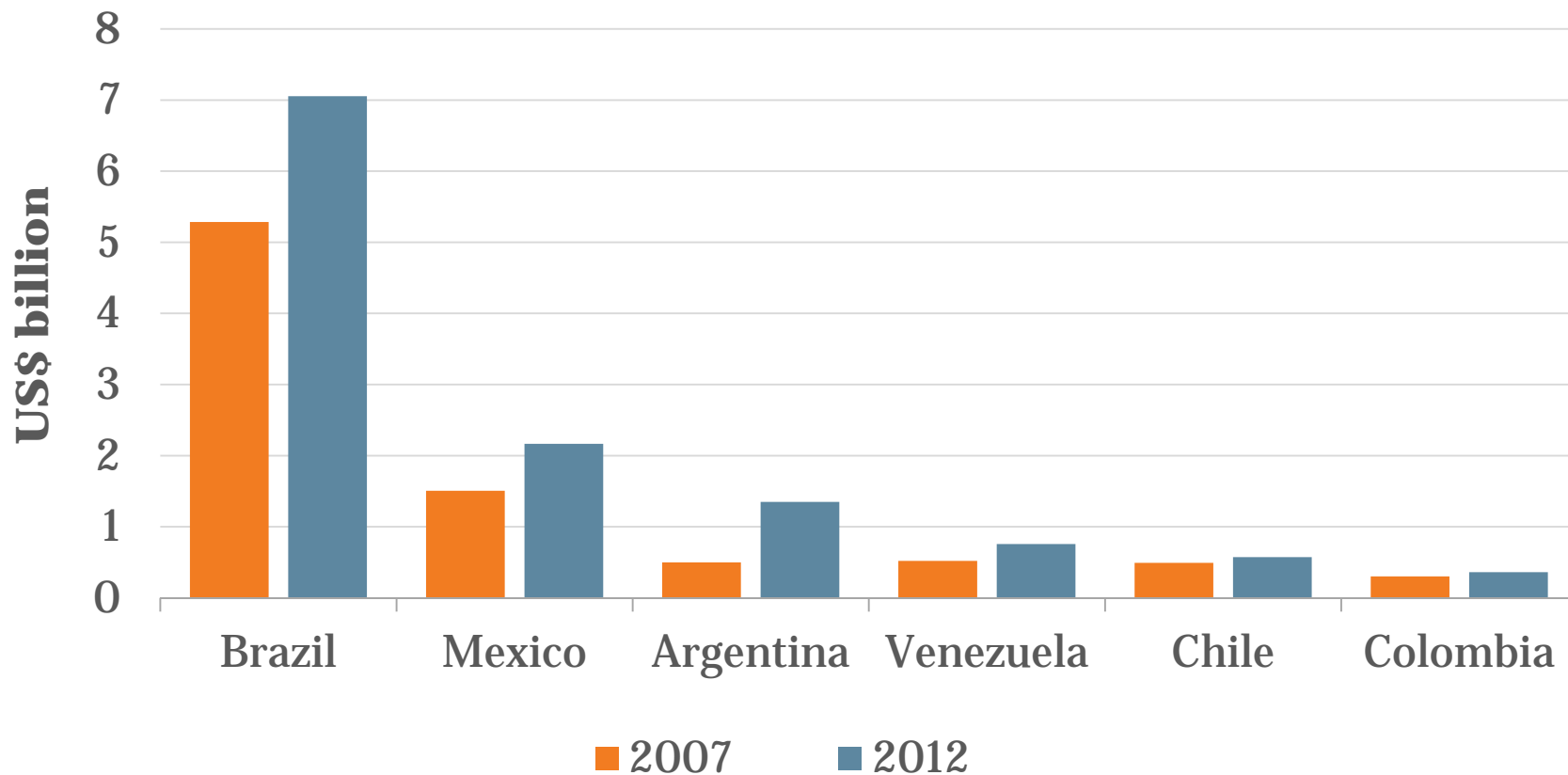


- Russian market accounts for nearly 60% of Eastern European sales
- Many consumers trading up from economy
- International brands hold good brand equity



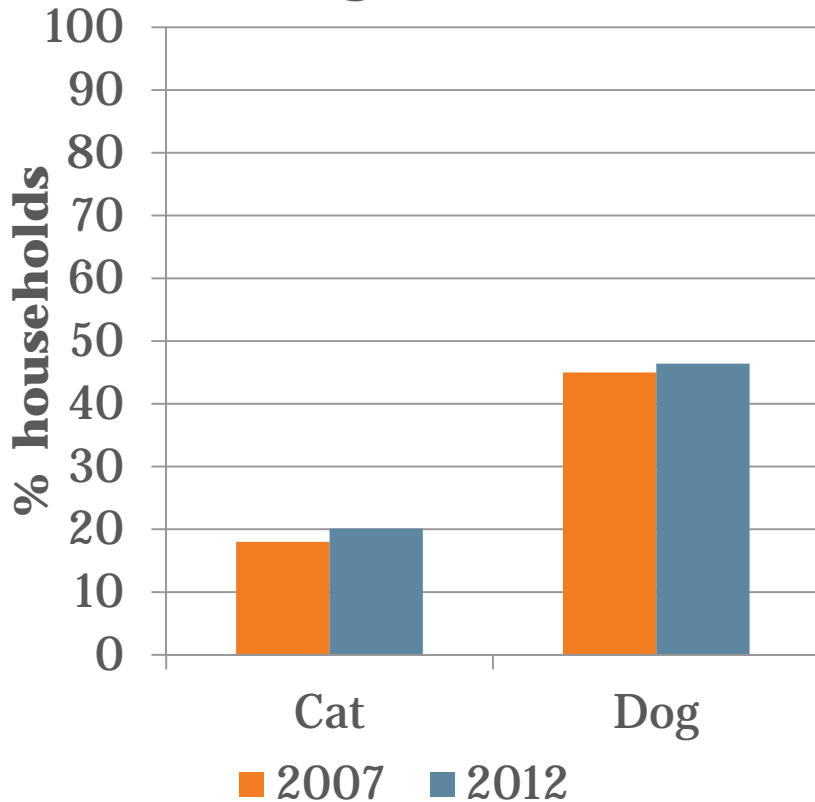
Latin American Pet Care: A Rising Global Star

Latin American Pet Care Retail Values by Major Market: 2007 vs 2012

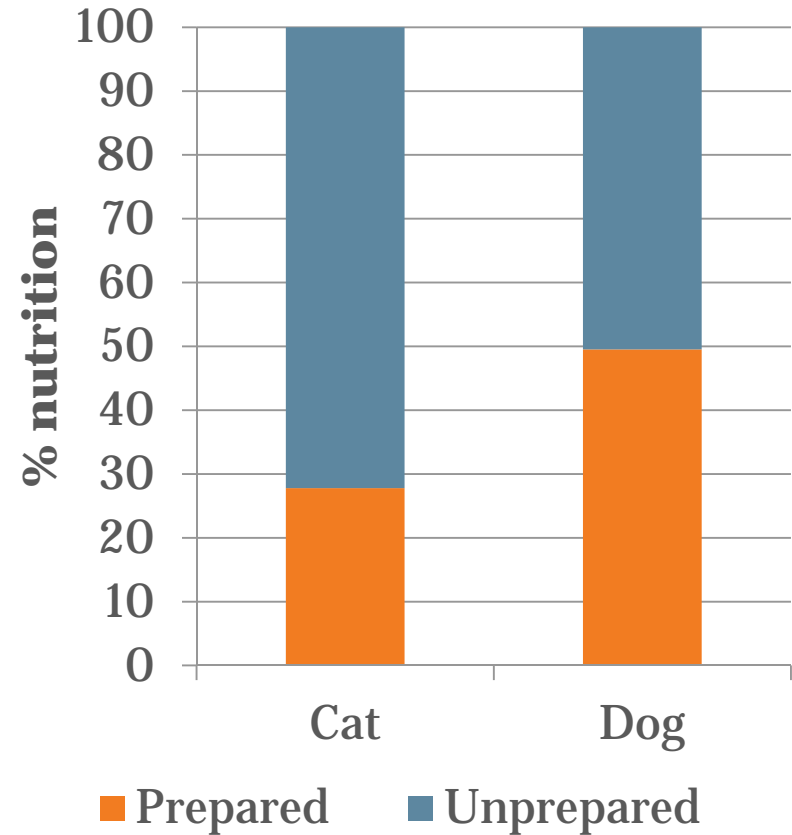


Growing Pet Ownership Rates Means Plenty of Untapped Potential

Proportion of Brazilian Households Owning a Dog/Cat 2012



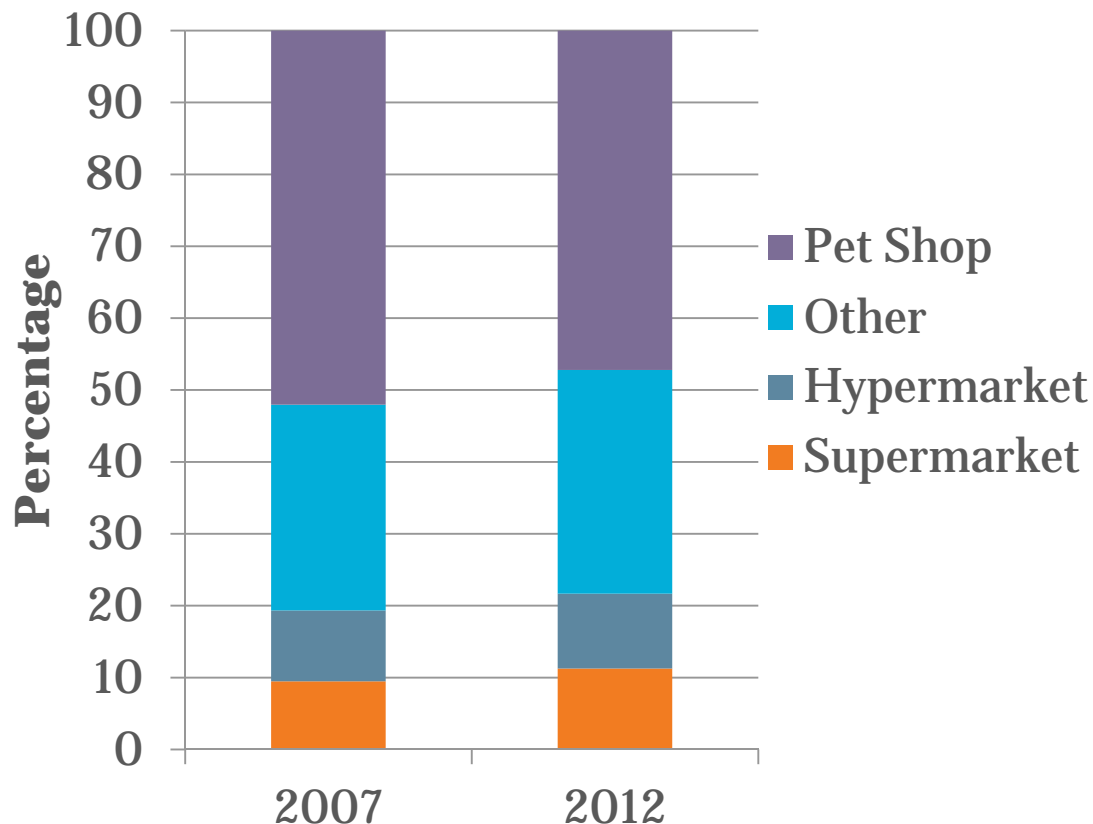
Brazilian Pet Nutrition 2012





Latent Potential Further Strengthened by Distribution Channels

Brazilian Distribution Channels: 2007-2012



- Concentration in modern grocery creates opportunities for “mass” premium brands
- Premium Pet Care brands also favoured by strength of:
 - Pet shop
 - Pet superstores

Premiumisation also Lead by National Players

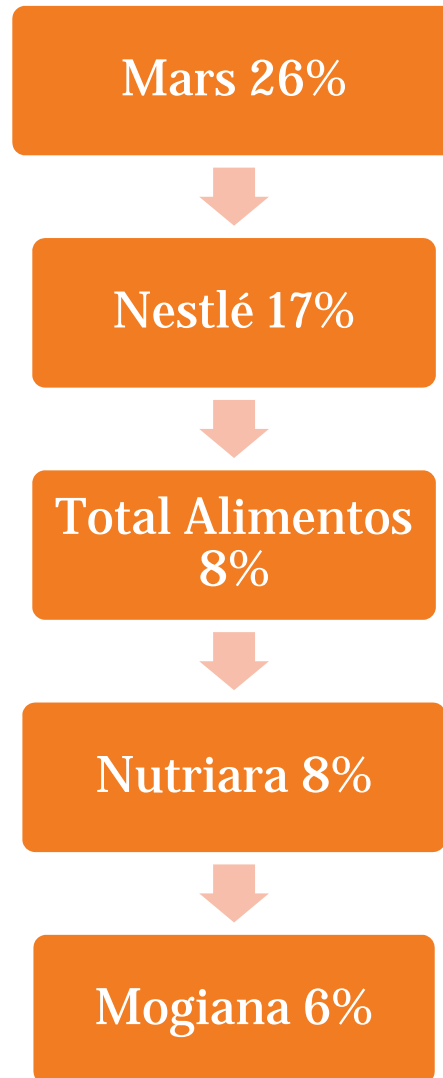


Health & Wellness and Segmentation
By Total Alimentos



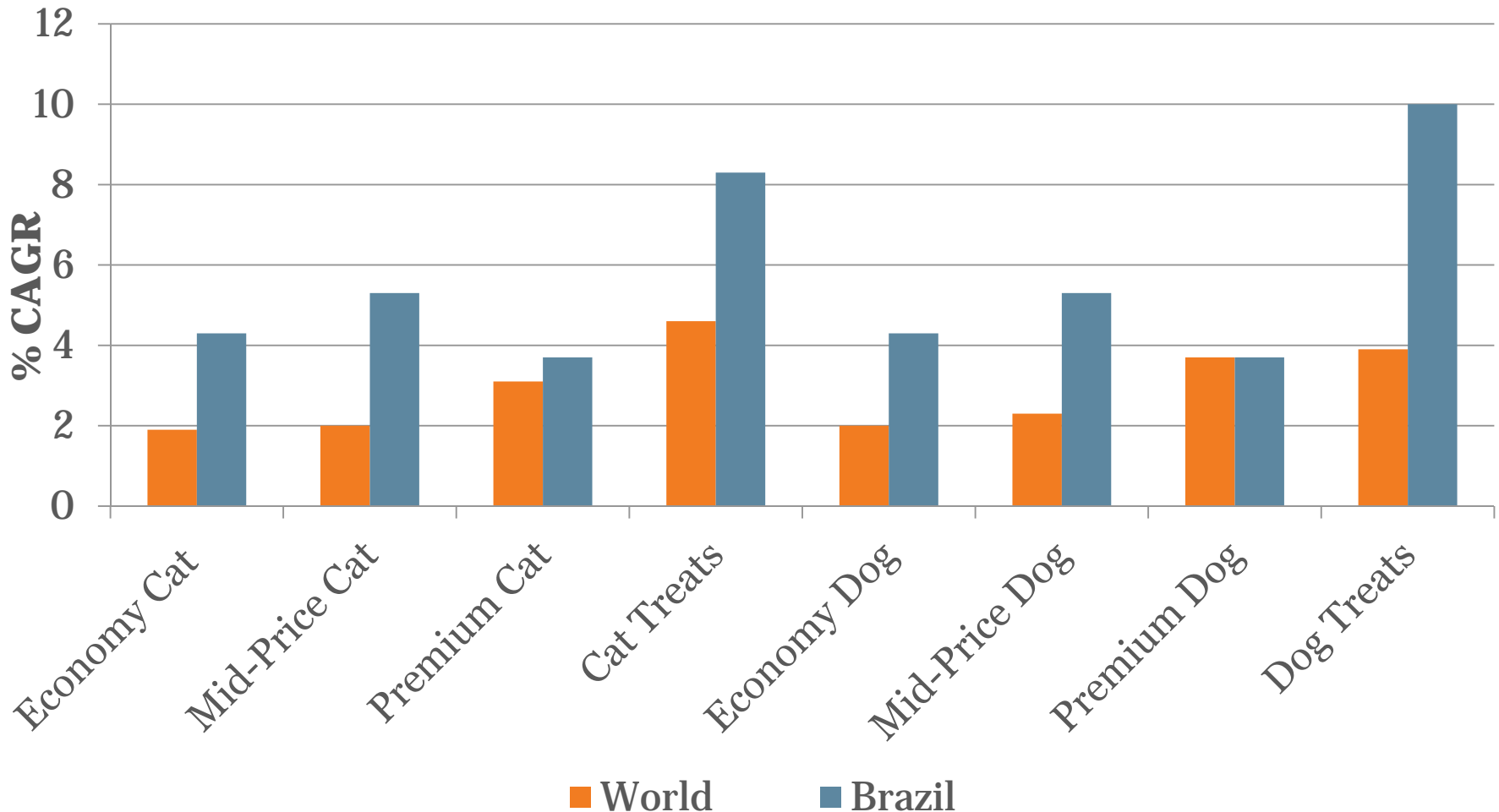
First grain free launched by Farmina

Leading Pet Care Companies in Brazil



Brazil Will Increasingly Drive Global Pet Care Retail Performance

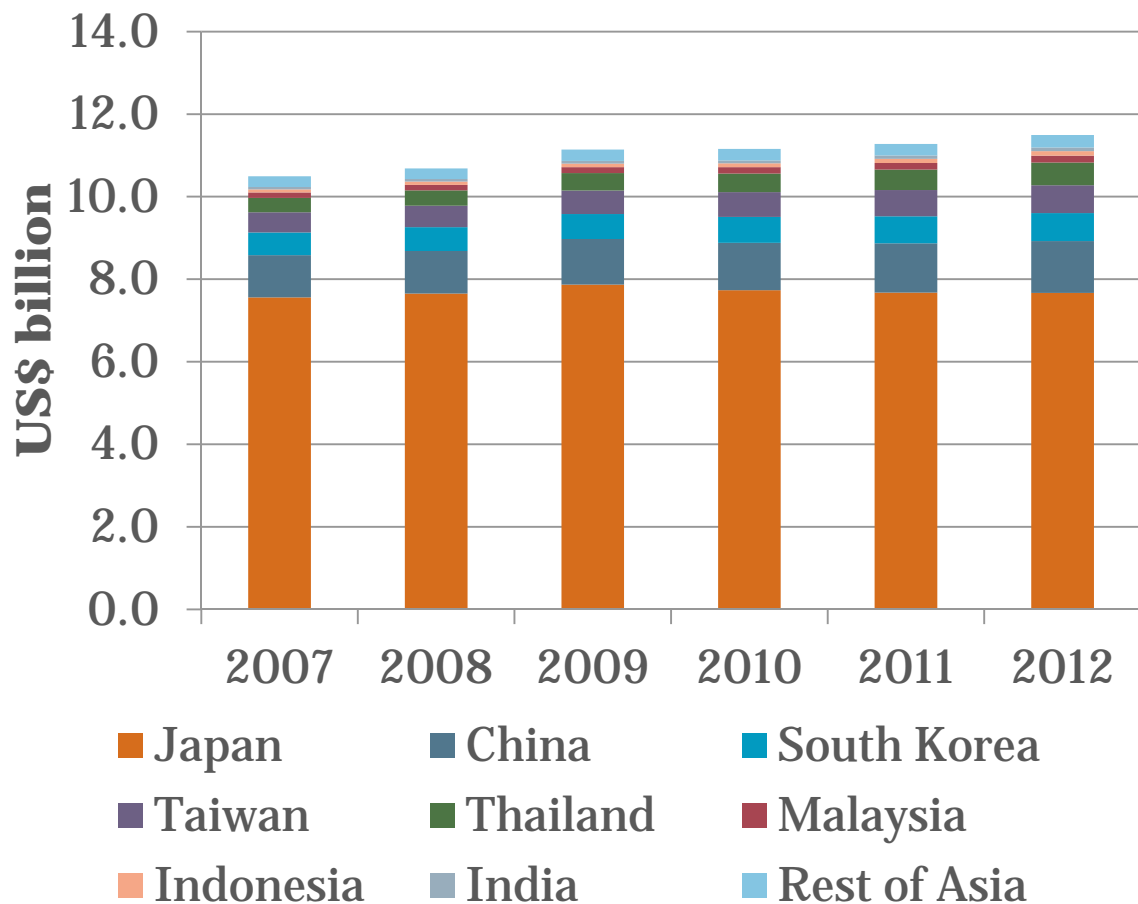
Brazil Versus World Growth: 2012-2017





Pet Care Moving From Strength to Strength in Asia Pacific

Asia Pacific Pet Care Retail Value Sales: 2007-2012

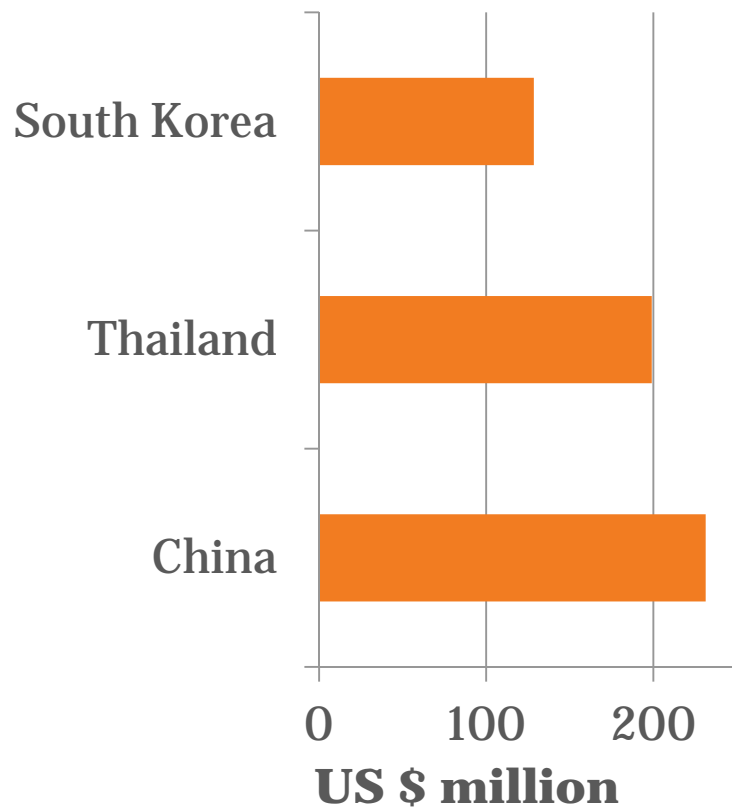


- Japan accounts for 2/3 of Asia Pacific Pet Care retail value sales in 2012...
- ... But that's down from nearly 80% 10 years ago
- Three markets driving Asia Pacific Pet Care:
 - China
 - South Korea
 - Thailand

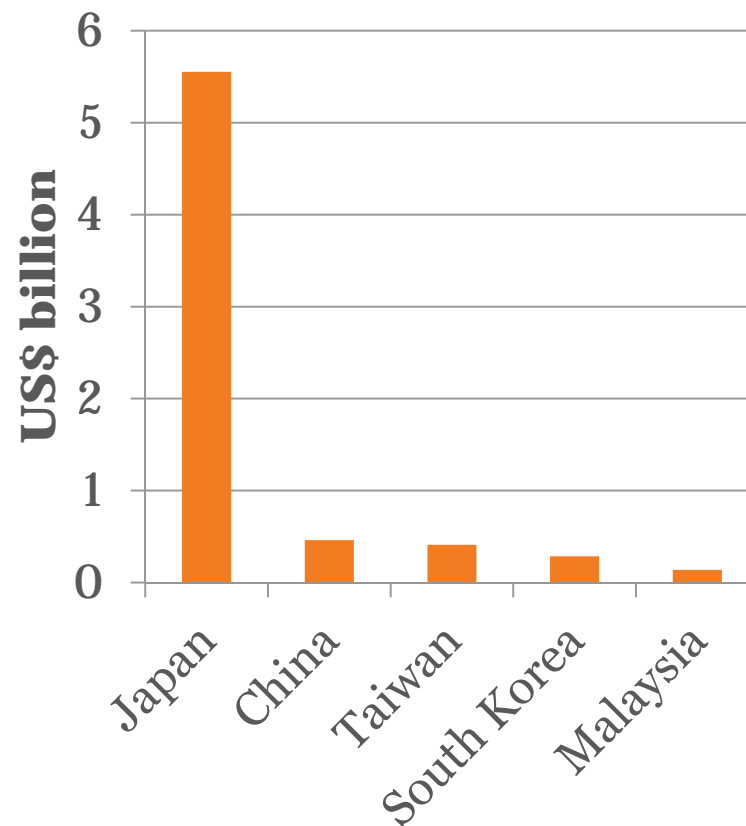


Stand Out Asia Pacific Pet Care Markets

Pet Care Absolute Retail Value Gains: 2007-2012

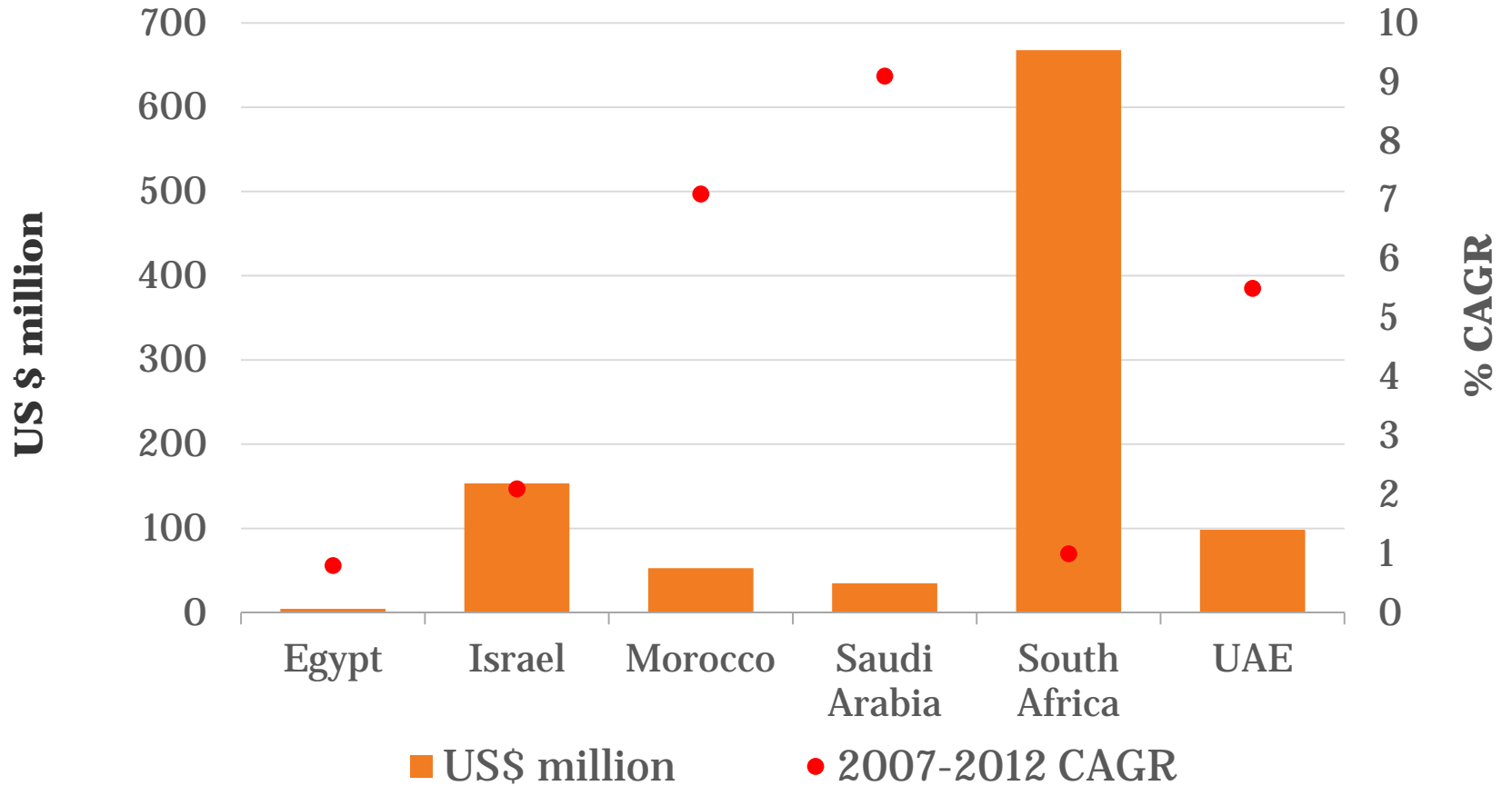


Top 5 Pet Care Markets by Retail Value: 2012



Middle East and Africa: Small but Plenty of Potential

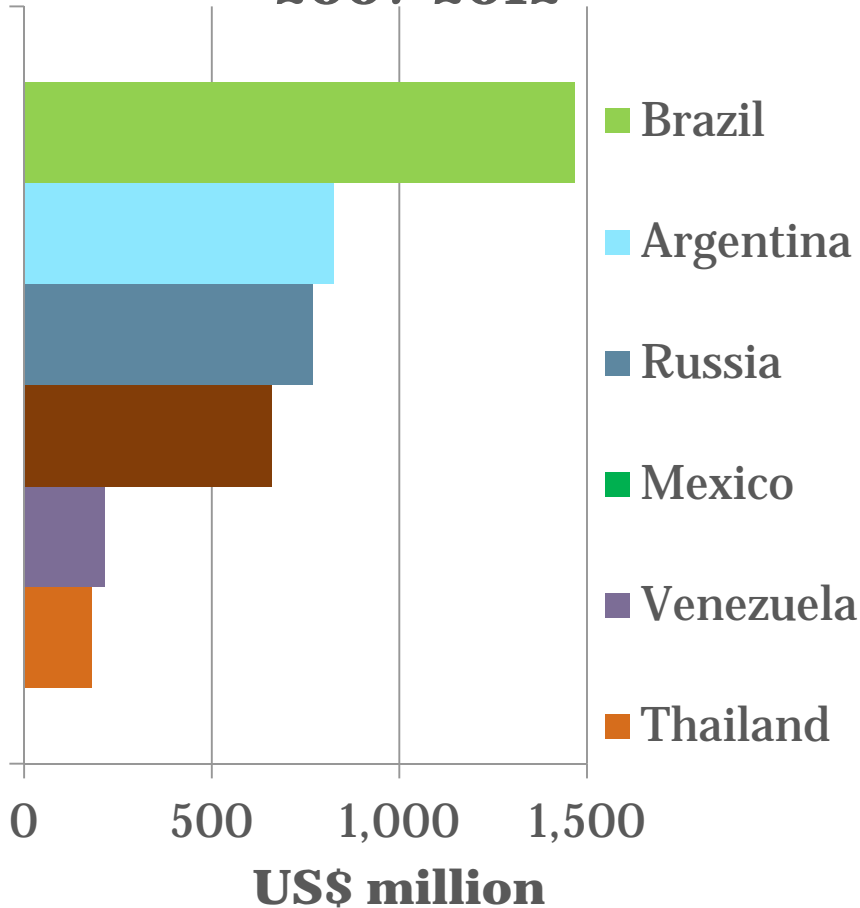
MEA Pet Care Retail Value Sales: 2012



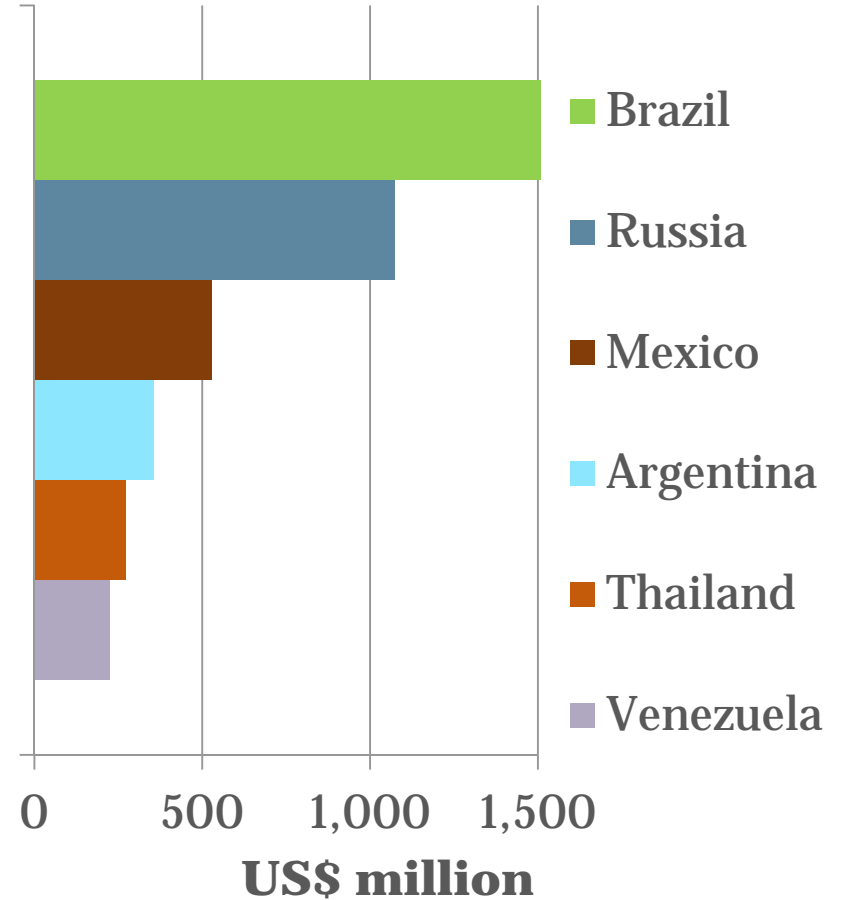


Emerging World Leaders in Pet Care

Dog and Cat Food Absolute Value Gains: 2007-2012



Dog and Cat Food Absolute Value Gains: 2012-2017

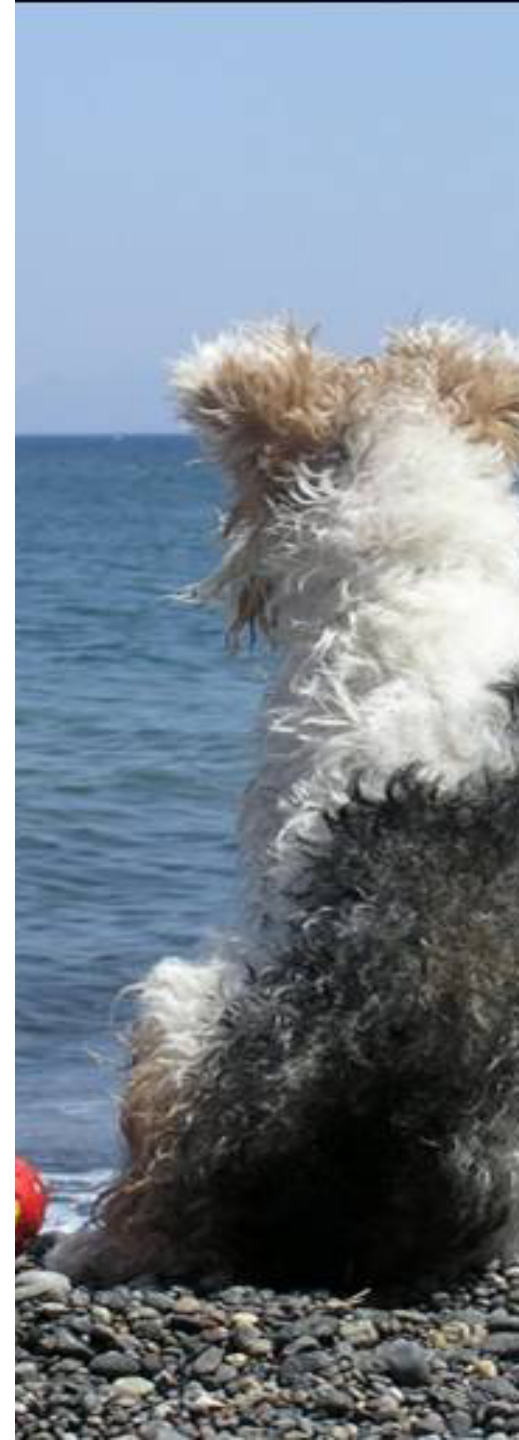


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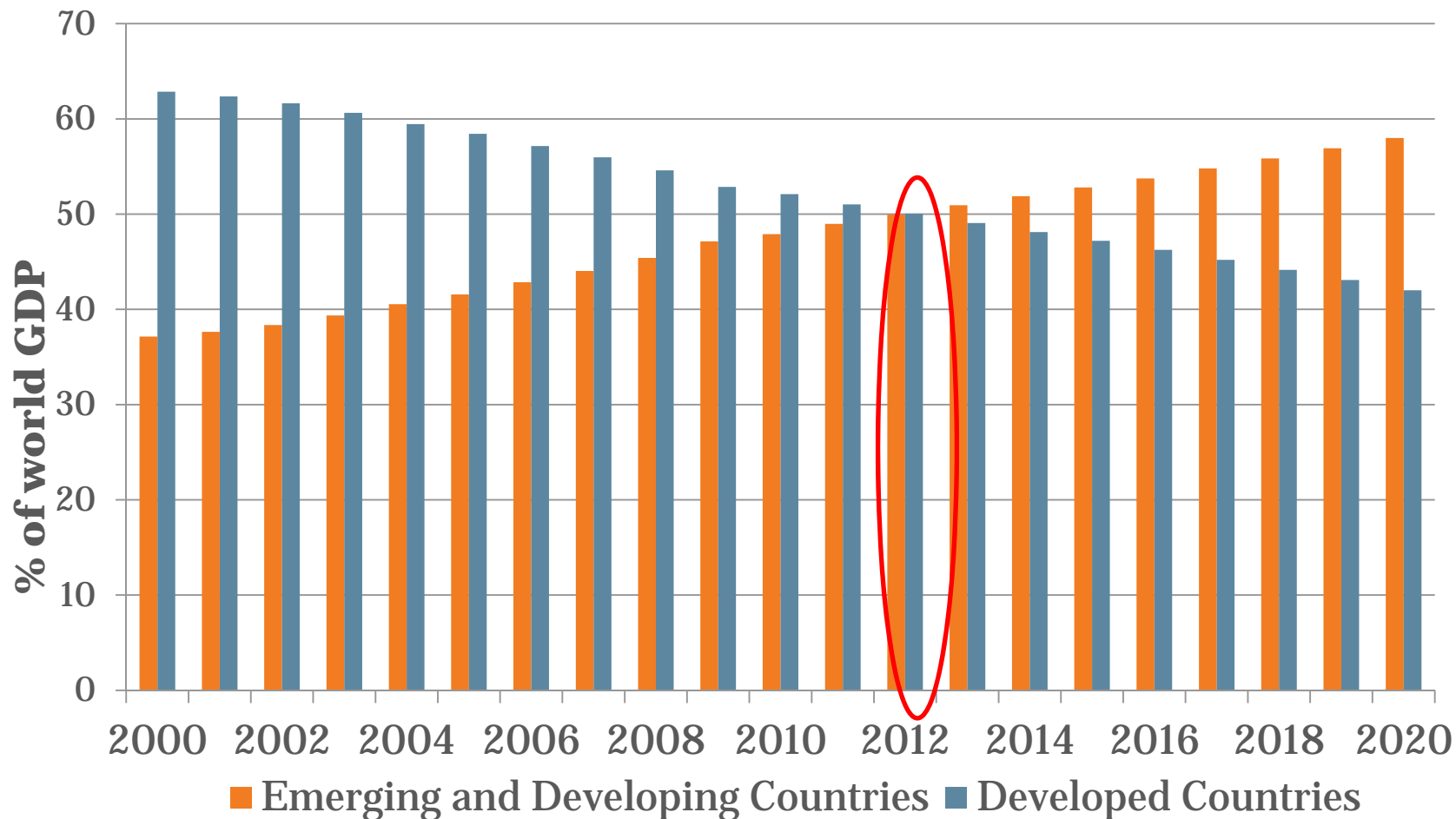
Globally Priorities Will Shift between 2011 and 2016

- 66% of global GDP growth generated in emerging markets
- 88% of the global population lives in emerging markets
- Annual disposable income grows rapidly in emerging markets



Power Shift to Emerging Markets Will Continue

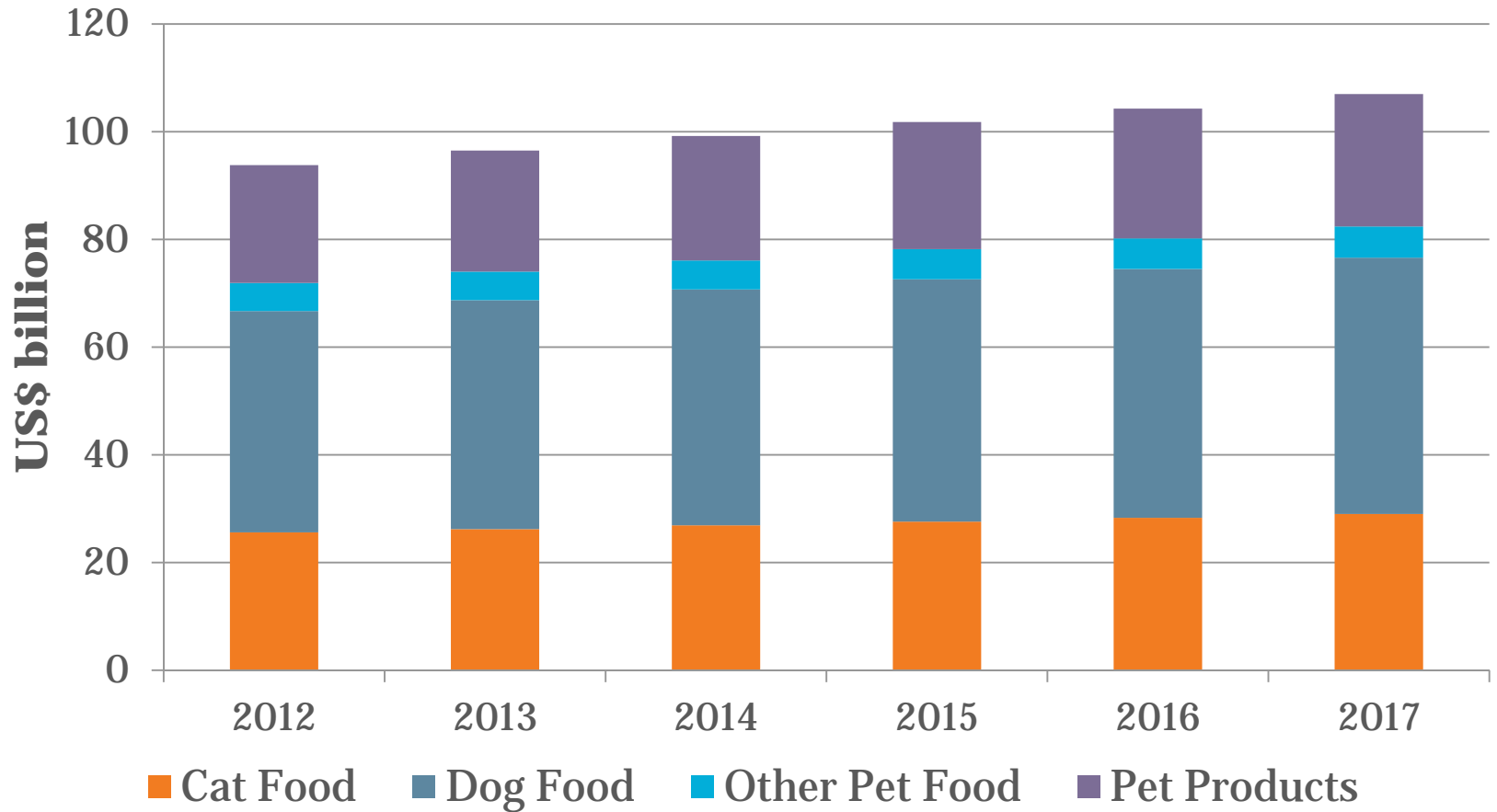
Global GDP Contribution in PPP Terms: 2000-2020





What Does the Future Hold for Global Pet Care?

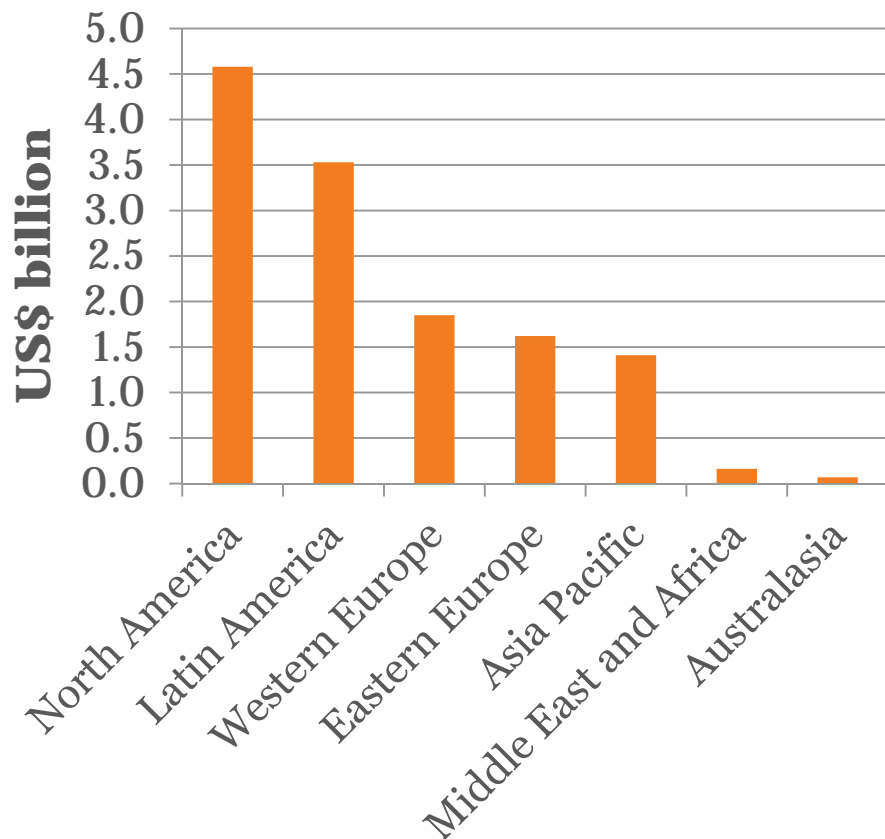
Global Pet Care Retail Value Prospects: 2012-2017



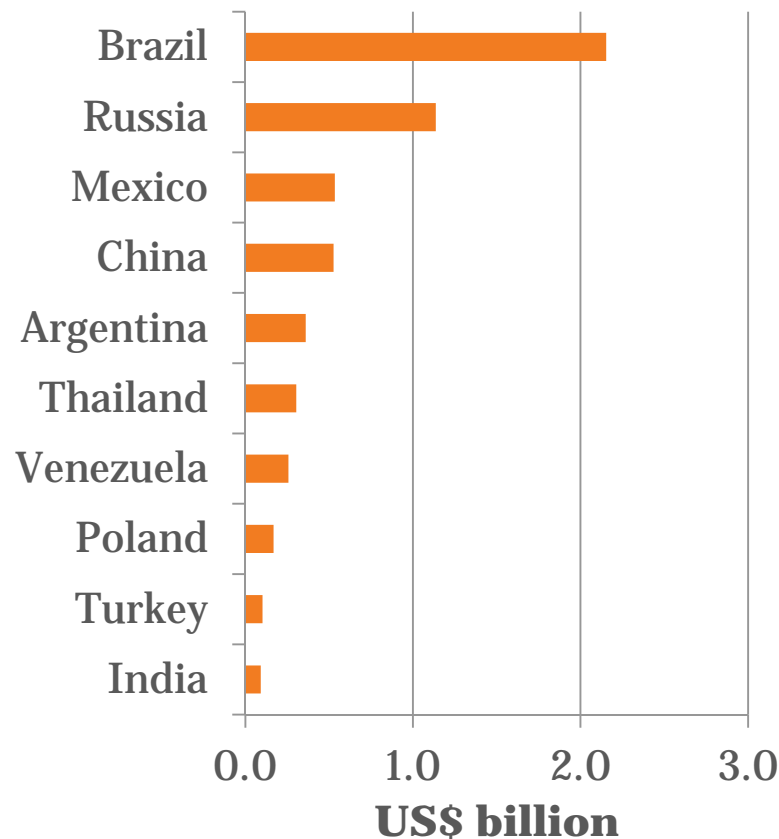


Emerging Markets Remain Key to the Future of Pet Care

Pet Care Absolute Retail Value Gains by Region: 2012-2017



10 Strongest Growing Emerging Pet Care Markets by Retail Value: 2012-2017





Final Conclusions

Humanisation:
A trend that's
here to stay

Premiumisation
set to intensify
in most markets

Demographics
and cultural
factors are key

**Emerging
Markets:** Not all
moving at the
same pace



THANK YOU FOR LISTENING

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