The Nielsen Company
Nielsen House
London Road
Headington
Oxford
OX3 9RX
www.nielsen.com

News Release

Contacts
Danielle Tolson
01865 732343
07977 236204
danielle.tolson@nielsen.com

Embargoed until 14:00 Tuesday 11th November

Asda Continues to Gain Share in the Grocery Sector, Heading to 16% Overall Though, Sales Growths Slow Signaling Tough Christmas for the Supermarkets

Headline sales growths in Grocery Multiples slowed again in the 12 weeks to 1st November to 5.1% from 5.4% (source: Nielsen Scantrack). Early October was a particularly sluggish time and weekly sales growths have only moved up very slightly in the last weeks of this trading period.

Asda continue to gain share fast. Year on year sales are up 8.7% in the 12 weeks to 1st November and the retailer's market share now stands at 15.6% for this whole period and 15.8% for the latest 4 weeks.

Tesco market share, whilst up slightly from 28% this time a year ago, is down from 28.3% at 12 weeks to 9th August. Morrisons continues to grow at over 9% YoY for the quarter but in the latest 4 weeks this drops back to under 7% YoY as year ago comparables become stronger.

Mike Watkins, senior manager retailer services at Nielsen commented: "Asda now have the strongest momentum with total till growths in excess of 8% since the end of August. In share terms, 15.8% in the last 4 weeks is Asda's highest ever market share outside of Christmas 2007 and consolidates the retailer's increasing appeal to shoppers in this tough economic climate."

"Sainsbury growths are looking good + 3.4% and compare well to Tesco at +4% which suggests that the differentiation based on the Sainsbury's Own Label is working well despite significant marketing activity from Tesco to support the launch of the Discount Brands."

"The new shoppers that Tesco have attracted as a result of the impressive above the line marketing for Discount Brands have so far been retained. But the impact has also been to encourage Tesco shoppers to trade down within Tesco and this has resulted in lower total till growths than Asda. We anticipate that on going there will be a trade off for Tesco, with lower value sales being translated into improved unit sales and so improved cash returns as the new Discount brands take a growing share of category sales."

"Overall though, despite food inflation being more than double this time last year the topline growths at the Multiples are slowing when they should in fact be accelerating. It's looking like a tough Christmas ahead for food retailers."

Table 1: 12 Weekly % Share of grocery market spend by Retailer

Retailer	*12w/e 03/11/07*	*12 w/e 01/11/08*	*Value Sales % Change*
Tesco	28.0	28.1	4.0
Asda	14.9	15.6	8.7
Sainsbury	14.1	14.1	3.4
Morrisons	9.8	10.3	9.1
Co-op	6.2	6.1	1.6
Waitrose	3.4	3.3	0.3
M&S	3.8	3.6	-0.7
Somerfield	3.5	3.4	0.3
Iceland	1.6	1.8	13.7

The figures in the table are based on 12 weeks sales through to 1st November 2008 compared with the same 12 week period in 2007
Source: Nielsen Total Till, Nielsen Homescan

About Nielsen Homescan Total Till: Unless otherwise stated, data is based on all purchases, bar-coded and non bar-coded, brought back into the home from any outlet by an in-home scanning panel of more than 14,500 households. Total spend includes all items stocked by any outlet, including grocery, durables and clothing