

Ready Meals in Portugal

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List of Contents and Tables

PACKAGED FOOD IN PORTUGAL	1
Executive Summary	1
<i>Packaged Food Retail Value Growth of Almost 4% in 2008</i>	<i>1</i>
<i>Impact of the Health and Wellness Trend</i>	<i>1</i>
<i>Multinationals Continue To Dominate.....</i>	<i>1</i>
<i>Manufacturers Investing in More Convenient Selling Points.....</i>	<i>1</i>
<i>Negative Forecast Performance.....</i>	<i>1</i>
Key Trends and Developments	1
<i>the Portuguese Economy.....</i>	<i>1</i>
<i>the Urbanisation Trend Continues in Portugal.....</i>	<i>2</i>
<i>Demographics.....</i>	<i>3</i>
<i>Health and Wellness</i>	<i>3</i>
<i>Private Label Products</i>	<i>4</i>
Market Data	4
Table 1 Sales of Packaged Food by Sector: Volume 2003-2008.....	4
Table 2 Sales of Packaged Food by Sector: Value 2003-2008	5
Table 3 Sales of Packaged Food by Sector: % Volume Growth 2003-2008.....	6
Table 4 Sales of Packaged Food by Sector: % Value Growth 2003-2008.....	6
Table 5 GBO Shares of Packaged Food 2003-2007	7
Table 6 NBO Shares of Packaged Food 2003-2007	8
Table 7 Brand Shares of Packaged Food 2004-2007	8
Table 8 Penetration of Private Label by Sector 2003-2007	9
Table 9 Sales of Packaged Food by Distribution Format: % Analysis 2003-2008	10
Table 10 Sales of Packaged Food by Sector and Distribution Format: % Analysis 2008.....	10
Table 11 Forecast Sales of Packaged Food by Sector: Volume 2008-2013.....	12
Table 12 Forecast Sales of Packaged Food by Sector: Value 2008-2013	13
Table 13 Forecast Sales of Packaged Food by Sector: % Volume Growth 2008-2013	13
Table 14 Forecast Sales of Packaged Food by Sector: % Value Growth 2008-2013.....	14
Foodservice – Key Trends and Developments	14
<i>Headlines</i>	<i>14</i>
<i>Trends</i>	<i>14</i>
<i>Competitive Landscape.....</i>	<i>15</i>
<i>Prospects.....</i>	<i>15</i>
<i>Sector Data</i>	<i>15</i>
Table 15 Foodservice Sales of Packaged Food by Sector: Volume 2003-2008.....	15
Table 16 Foodservice Sales of Packaged Food by Sector: % Volume Growth 2003-2008.....	16
Table 17 Forecast Foodservice Sales of Packaged Food by Sector: Volume 2008-2013	17
Table 18 Forecast Foodservice Sales of Packaged Food by Sector: % Volume Growth 2008-2013.....	17
Impulse and Indulgence Products – Key Trends and Developments.....	18
<i>Headlines</i>	<i>18</i>
<i>Trends</i>	<i>18</i>
<i>Competitive Landscape.....</i>	<i>19</i>
<i>Prospects.....</i>	<i>19</i>

<i>Sector Data</i>	20
Table 19 Sales of Impulse and Indulgence Products by Sector: Volume 2003-2008	20
Table 20 Sales of Impulse and Indulgence Products by Sector: Value 2003-2008.....	20
Table 21 Sales of Impulse and Indulgence Products by Sector: % Volume Growth 2003-2008.....	20
Table 22 Sales of Impulse and Indulgence Products by Sector: % Value Growth 2003- 2008.....	21
Table 23 Company Shares of Impulse and Indulgence Products 2003-2007.....	21
Table 24 Brand Shares of Impulse and Indulgence Products 2004-2007	22
Table 25 Forecast Sales of Impulse and Indulgence Products by Sector: Volume 2008- 2013.....	23
Table 26 Forecast Sales of Impulse and Indulgence Products by Sector: Value 2008- 2013.....	23
Table 27 Forecast Sales of Impulse and Indulgence Products by Sector: % Volume Growth 2008-2013.....	23
Table 28 Forecast Sales of Impulse and Indulgence Products by Sector: % Value Growth 2008-2013.....	24
Nutrition/staples – Key Trends and Developments	24
<i>Headlines</i>	24
<i>Trends</i>	24
<i>Competitive Landscape</i>	25
<i>Prospects</i>	26
<i>Sector Data</i>	26
Table 29 Sales of Nutrition/Staples by Sector: Volume 2003-2008	26
Table 30 Sales of Nutrition/Staples by Sector: Value 2003-2008.....	27
Table 31 Sales of Nutrition/Staples by Sector: % Volume Growth 2003-2008.....	27
Table 32 Sales of Nutrition/Staples by Sector: % Value Growth 2003-2008	27
Table 33 Company Shares of Nutrition/Staples 2003-2007	27
Table 34 Brand Shares of Nutrition/Staples 2004-2007	28
Table 35 Forecast Sales of Nutrition/Staples by Sector: Volume 2008-2013.....	29
Table 36 Forecast Sales of Nutrition/Staples by Sector: Value 2008-2013	29
Table 37 Forecast Sales of Nutrition/Staples by Sector: % Volume Growth 2008-2013.....	30
Table 38 Forecast Sales of Nutrition/Staples by Sector: % Value Growth 2008-2013.....	30
Meal Solutions – Key Trends and Developments	30
<i>Headlines</i>	30
<i>Trends</i>	31
<i>Competitive Landscape</i>	31
<i>Prospects</i>	32
<i>Sector Data</i>	32
Table 39 Sales of Meal Solutions by Sector: Volume 2003-2008	32
Table 40 Sales of Meal Solutions by Sector: Value 2003-2008	32
Table 41 Sales of Meal Solutions by Sector: % Volume Growth 2003-2008.....	33
Table 42 Sales of Meal Solutions by Sector: % Value Growth 2003-2008.....	33
Table 43 Company Shares of Meal Solutions 2003-2007	33
Table 44 Brand Shares of Meal Solutions 2004-2007	34
Table 45 Forecast Sales of Meal Solutions by Sector: Volume 2008-2013.....	35
Table 46 Forecast Sales of Meal Solutions by Sector: Value 2008-2013	35
Table 47 Forecast Sales of Meal Solutions by Sector: % Volume Growth 2008-2013	36
Table 48 Forecast Sales of Meal Solutions by Sector: % Value Growth 2008-2013.....	36
Definitions.....	36
Summary 1 Research Sources.....	37

LOCAL COMPANY PROFILES - PORTUGAL39

Dan Cake SA	39
<i>Strategic Direction.....</i>	39
<i>Key Facts</i>	39
Summary 2 Dan Cake SA: Key Facts	39
<i>Company Background.....</i>	39
<i>Production</i>	39
<i>Competitive Positioning.....</i>	40
Summary 3 Dan Cake SA: Competitive Position 2007.....	40
Dinis & Filhos Lda, J.....	40
<i>Strategic Direction.....</i>	40
Summary 4 J Dinis & Filhos Lda: Key Facts.....	40
<i>Company Background.....</i>	40
<i>Production</i>	41
<i>Competitive Positioning.....</i>	41
Imperial Produtos Alimentares SA	41
<i>Strategic Direction.....</i>	41
<i>Key Facts</i>	41
Summary 5 Imperial Produtos Alimentares SA: Key Facts	41
<i>Company Background.....</i>	42
<i>Production</i>	42
<i>Competitive Positioning.....</i>	42
Summary 6 Imperial Produtos Alimentares SA: Competitive Position 2007.....	42
Lactogal SA	43
<i>Strategic Direction.....</i>	43
<i>Key Facts</i>	43
Summary 7 Lactogal SA: Key Facts.....	43
Summary 8 Lactogal SA: Operational Indicators	43
<i>Company Background.....</i>	43
<i>Production</i>	44
Summary 9 Lactogal SA: Production Statistics 2007	44
<i>Competitive Positioning.....</i>	44
Summary 10 Lactogal SA: Competitive Position 2007	44
Lusiteca - Transformação E Embalagem Produtos Alimentares SA.....	45
<i>Strategic Direction.....</i>	45
<i>Key Facts</i>	45
Summary 11 Lusiteca – Transformação e Embalagem Produtos Alimentares SA: Key Facts	45
<i>Company Background.....</i>	45
<i>Production</i>	46
<i>Competitive Positioning.....</i>	46
Summary 12 Lusiteca – Transformação e Embalagem Produtos Alimentares SA: Competitive Position 2007	46
Martins & Costa SA.....	46
<i>Strategic Direction.....</i>	46
<i>Key Facts</i>	46
Summary 13 Martins & Costa SA: Key Facts	46
<i>Company Background.....</i>	47

<i>Competitive Positioning</i>	47
Summary 14 Martins & Costa SA: Competitive Position 2006.....	47
READY MEALS IN PORTUGAL	48
Headlines	48
Trends	48
Competitive Landscape	49
Prospects	50
Sector Data	50
Table 49 Sales of Ready Meals by Subsector: Volume 2003-2008	50
Table 50 Sales of Ready Meals by Subsector: Value 2003-2008	50
Table 51 Sales of Ready Meals by Subsector: % Volume Growth 2003-2008.....	51
Table 52 Sales of Ready Meals by Subsector: % Value Growth 2003-2008.....	51
Table 53 Ready Meals: Vegetarian Vs Non-vegetarian % Breakdown by Type 2008	51
Table 54 Frozen Ready Meals % Breakdown by Ethnicity 2004-2008.....	52
Table 55 Chilled Ready Meals % Breakdown by Ethnicity 2004-2008	52
Table 56 Ready Meals Company Shares 2003-2007	52
Table 57 Ready Meals Brand Shares 2004-2007.....	53
Table 58 Forecast Sales of Ready Meals by Subsector: Volume 2008-2013.....	53
Table 59 Forecast Sales of Ready Meals by Subsector: Value 2008-2013.....	54
Table 60 Forecast Sales of Ready Meals by Subsector: % Volume Growth 2008-2013	54
Table 61 Forecast Sales of Ready Meals by Subsector: % Value Growth 2008-2013.....	54

PACKAGED FOOD IN PORTUGAL

EXECUTIVE SUMMARY

Packaged Food Retail Value Growth of Almost 4% in 2008

Packaged food in Portugal experienced significant growth in 2008, with sales rising by 4% in retail value terms. New trends concerning health and wellness, busier lifestyles and low birth rates prompted manufacturers to focus on the improvement of their products. Aware of the changes in the marketplace, producers boosted retail value sales by launching new and healthier products and by investing in market segmentation.

Impact of the Health and Wellness Trend

A consumer base better informed about the hazards of high cholesterol levels and obesity, amongst other health issues, helped to galvanise demand for health-positioned products. Meal replacement products, for example, registered an increase in volume sales as marketing schemes focused on the benefits of a healthy and fit body. In contrast, products that are considered unhealthy, such as spreads and sauces, dressings and condiments saw a significantly weaker performance.

Multinationals Continue To Dominate

Well-known large multinational brands continued to dominate Portuguese packaged food in 2007, they further reinforced their positions with mass media advertising. There are, however, some domestic companies with a significant presence in packaged food. One such company, Lactogal SA, leads dairy products and was the only company to register a double-digit share in packaged food as a whole in 2007.

Manufacturers Investing in More Convenient Selling Points

Although supermarkets/hypermarkets continues to be the leading distribution channel for packaged food in Portugal, manufacturers are investing in more strategic alternatives. Due to busy lifestyles, convenient selling points are attracting time-pressed consumers and thus boosting volume sales. Unilever Jerónimo Martins, for example, has invested in ice cream vans enabling it to sell Ola ice cream at beaches and have the flexibility to move to other locations. Häagen-Dazs Co, on the other hand, has opened small shops in high traffic pedestrian areas targeting the younger age group.

Negative Forecast Performance

Packaged food is expected to experience a decrease in demand for the forecast period, in line with the decline recorded during the review period. The economy is in recession with high unemployment rates and a continuous loss of consumer purchasing power, alongside a high inflation rate and weak wage growth. Further aggravating the packaged food market are the higher production costs that are inevitably being transferred to the consumer.

KEY TRENDS AND DEVELOPMENTS

the Portuguese Economy

Private consumption was expected to rise by 1.4% in 2008 and by 1.8% in 2009. Although early 2008 offered some positive signs of a recovery in the economy, the strong euro caused a significant drop in exports. Portugal's economy is still characterised by low productivity indicators and has to now endure further pressures from low labour cost countries, namely China and new Eastern European members of the European Union. The country is also struggling with an enormous public debt and has a current account deficit of more than 9% of GDP, which is not expected to change in 2008. The Portuguese economy remains in recession, without prospect of a short-term rebound.

Current Impact

The current sluggish economy is characterised by high unemployment rates. Furthermore, because of high inflation rates across the Eurozone the European Central Bank is forced to raise interest rates during the first half of 2008, only to reduce them back down on the second half, putting homeowners with mortgages under considerable strain. If at the beginning of the year financial institutions were still coming up with slogans such as 'If you need EUR5,000 we will transfer it to your account right now, with no costs.', by the end of the year banks had shut down credit to already heavily indebted consumers. The difficult economic situation is reducing demand for non-essential products, negatively affecting many packaged food categories.

Outlook

Portugal is being increasingly overshadowed by lower-cost producers from Eastern Europe and Asia as these countries continue to attract foreign direct investment. The country's poor education system, in particular, has been and is expected to continue to be an obstacle to productivity and growth improvements. In line with the government's objective to reduce the national debt, taxes are expected to rise further, as no other alternatives are feasible. These factors will have a negative impact on purchasing power; thus consumption of non-essential products, particularly in the premium segment, will be hit the hardest.

Future Impact

As consumers will continue to live on limited budgets in the foreseeable future, their decreased spending on non-essential products will negatively affect many packaged food categories. Thus, ice cream, confectionery products, and sweet and savoury snacks will register only slight increases in value sales over the forecast period. In this context, discounters dealing in essential goods and private label products are expected to increase their market penetration.

the Urbanisation Trend Continues in Portugal

Increasing numbers of Portuguese people are continuing to move into larger cities to the detriment of smaller, rural areas; this is a direct consequence of employment opportunities. Students in relatively large numbers also relocate to urban areas to study for their degrees and afterwards simply do not return to their more urban homes. Urbanisation is characterised by smaller compact homes with one- or two-child families, single parents, couples or individuals living alone with little time or inclination to cook. The fact that more women are entering the labour force further exacerbates the shift from traditional lifestyles.

Current Impact

The shift towards urbanisation is boosting some product areas within packaged food, such as meal solutions, which are very practical and allow consumers to save time. Manufacturers are investing in these types of products; spending more on marketing schemes and new product developments, whilst also targeting health-conscious consumers. Increasing numbers of Portuguese are following the trend registered in other European countries where a majority do not cook on a daily basis, due to a lack of time or inclination. The urbanisation trend is also helping to boost foodservice consumption rates.

Outlook

Although urbanisation is expected to continue, the Portuguese government, along with local authorities, is making efforts to slow down the process by offering subsidies and fiscal incentives in order to attract younger people to rural areas. Companies are also given favourable conditions to establish branches in the interior, where people are more conservative.

Future Impact

Since more women are entering the labour force and more individuals are choosing to live on their own, meal solutions and the foodservice channel will see growth over the forecast period, as this trend continues. More traditional categories, however, such as breakfast cereals, oils and fats or spreads, should register a slowdown in growth as consumption patterns change.

Demographics

In Portugal, as is the case in the rest of Europe, a number of demographic changes are taking place. People are living longer and having fewer children. The birth rate for 2006 was 10 per 1000 of the population, significantly down from 12.2 per 1000 people in 1987, according to the National Institute of Statistics (INE). Furthermore, due to the high unemployment rate in the country, particularly among the qualified labour force, a large proportion of young graduates are emigrating to other European countries, seeking better living conditions. Given this scenario, the government faces substantial challenges to sustain national welfare and health programmes. Companies are adapting to these changes by increasingly segmenting the market.

Current Impact

Packaged food operators are investing in more specific products, in order to satisfy specific market segments; for instance, manufacturers are developing new products or modifying existing ones to offer health benefits, specifically targeted at older consumers. A further indicator of segmentation, in this case appealing to a younger group demanding more exotic alternatives, is the launching of new flavours, which contrast traditional versions. To illustrate, Danone Portugal SA launched the new exotic flavour of strawberry and lemon for its Dan'Up drinking yoghurt.

Outlook

Due to constant technological developments and medical advances, life expectancy is increasing, underpinning a wide range of age-related necessities. At the same time, birth rates are decreasing; a direct consequence of later marriages and the increasing presence of women in the labour force, with less time for domestic duties and for raising children. This trend is expected to continue over the forecast period.

Future Impact

Government forecasts relating to age-related spending point to large increases in pension and health expenditure, which indicate that market segmentation is expected to continue over the forecast period. Products with specific characteristics targeting niches or small groups and positioned as premium will register positive performances. In particular, products targeting the ageing population and their specific needs will thrive.

Health and Wellness

Portuguese consumers are increasingly more attentive to their health, particularly with regards to high cholesterol and childhood obesity. Therefore, low-calorie and low-fat products are still the product areas which are generating more interest among consumers. People are not only more concerned with their health, but also with their figures; women in particular are careful to consume better, varied and balanced diets. This trend led manufacturers to invest strongly in health products over the review period.

Current Impact

The increasing health awareness continues to impact packaged food, as manufacturers launch new products with health benefits, such as products that are lower in fat and include added vitamins, minerals and natural ingredients. Consumers are looking for healthier foods in order to prevent high cholesterol and obesity; two substantial problems affecting modern society. As the Portuguese consider meal replacement products to be a healthy means of weight control, these products are benefiting from this trend. Sales of other products, such as olive oil, probiotic/ prebiotic yoghurt and organic milk are also being boosted by this trend.

Outlook

Healthy food is a category with potential for further growth, particularly because it is characterised by manufacturers' innovations. A product with associated health benefits enables manufacturers to increase prices, and thus raise their margins; at the same time, consumers of this type of product are seen as not being price sensitive. However, as the Portuguese economy is facing a deeper than expected recession volume sales are being hampered as some potential consumers are deterred from buying meal replacement products, for example. These consumers will for the meantime continue to cook using traditional healthy ingredients, such as olive oil,

over the forecast period. When the economy eventually recovers, meal replacement products sales are expected to increase.

Future Impact

Portuguese consumers are expected to continue to follow the health and wellness trend over the forecast period, as high cholesterol and childhood obesity problems persist in the country. Therefore, manufacturers are expected to continue to invest in healthier products, following the key players already doing so. Conversely, spreads and sauces, dressings and condiments will see their growth limited, as they are not associated with a healthy diet.

Private Label Products

The weakened Portuguese economy is enabling the growth of discounters and private label lines to increase their share. Following a loss in purchasing power, mainly due to high inflation rates in the Eurozone and higher taxes due to high public debt, consumers are opting for standard and economy brands to the detriment of the premium segment. Nevertheless, some niches, such as bread substitutes, retain high brand loyalty, making private label penetration difficult to achieve.

Current Impact

The harsh economic climate, coupled with rising food prices, is enabling private label products to penetrate the packaged food market. Consumers' tight budgets are forcing a switch from premium brands to private label products, resulting in a rising share within packaged food. In the case of generic products within confectionery, bread and biscuits, consumers are not particularly sensitive regarding quality and brand loyalty remains low. Thus, opportunities exist in these categories for private label products to enter and boost volume sales.

Outlook

Over the forecast period private label products are expected to continue to gain share, particularly in non-differentiated categories, as the Portuguese economy is not expected to recover in the mid-term future. Nevertheless, there are some categories, such as meal replacement products and baby food, where consumers prefer to pay a premium for the extra assurance that is offered by a well-known brand name; these categories are likely to remain resistant to the presence of private label products.

Future Impact

It is now widely perceived that private label products offer practically, if not totally, the same quality as the major brands, but at significantly lower prices. Inserted into the context of a sluggish economy, private label brands will thus continue to expand within packaged food. At the same time, this shift will help to bolster volume sales during the forecast period.

MARKET DATA

Table 1 Sales of Packaged Food by Sector: Volume 2003-2008

	2003	2004	2005	2006	2007	2008
Confectionery ('000 tonnes)	26.4	26.9	27.4	28.0	28.6	29.2
Bakery products ('000 tonnes)	441.1	440.5	441.7	441.9	440.3	440.1
Ice cream (million litres)	56.8	59.7	61.8	63.0	64.0	65.0
Dairy products (not calculable)	-	-	-	-	-	-
Sweet and savoury snacks ('000 tonnes)	16.8	16.9	17.0	17.1	17.7	17.8
Snack bars ('000 tonnes)	0.5	0.7	0.8	0.8	0.9	1.0

Meal replacement products ('000 tonnes)	0.1	0.1	0.1	0.2	0.2	0.2
Ready meals ('000 tonnes)	13.3	14.5	15.5	16.6	17.8	19.2
Soup ('000 tonnes)	1.3	1.4	1.4	1.5	1.6	1.7
Pasta ('000 tonnes)	54.5	55.2	53.9	52.8	52.0	51.4
Noodles ('000 tonnes)	0.2	0.2	0.3	0.4	0.6	0.7
Canned/preserved food ('000 tonnes)	96.2	99.3	101.7	104.2	107.0	110.0
Frozen processed food ('000 tonnes)	43.0	45.1	47.4	49.7	51.8	54.1
Dried processed food ('000 tonnes)	151.9	149.6	145.2	142.4	140.2	135.7
Chilled processed food ('000 tonnes)	8.0	8.8	9.4	10.3	11.6	13.0
Oils and fats ('000 tonnes)	177.4	179.8	181.4	181.7	182.9	184.7
Sauces, dressings and condiments ('000 tonnes)	43.6	45.8	47.2	47.3	48.0	48.5
Baby food ('000 tonnes)	23.7	24.1	24.4	24.7	25.1	25.4
Spreads ('000 tonnes)	8.8	8.9	8.9	8.8	8.9	8.9
Impulse and indulgence products (not calculable)	-	-	-	-	-	-
Nutrition/staples (not calculable)	-	-	-	-	-	-
Meal solutions ('000 tonnes)	195.4	203.4	210.0	216.0	222.8	230.2
Packaged food (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Notes: Sum of sectors does not equal total packaged food because of double counting (for example canned soup is included in soups and canned foods)
Volume sales cannot be consolidated due to different unit measurements (eg confectionery in tonnes and ice cream in litres)

Table 2 Sales of Packaged Food by Sector: Value 2003-2008

EUR million	2003	2004	2005	2006	2007	2008
Confectionery	330.0	348.8	362.2	374.2	387.0	400.5
Bakery products	1,110.3	1,127.8	1,137.8	1,153.1	1,177.4	1,213.5
Ice cream	329.6	356.9	372.4	380.8	386.9	397.5
Dairy products	1,691.2	1,705.7	1,714.7	1,731.6	1,761.6	1,818.9
Sweet and savoury snacks	145.3	146.7	147.5	148.2	151.9	154.3
Snack bars	10.3	14.1	15.6	16.8	18.0	19.2
Meal replacement products	5.4	5.6	6.1	7.0	7.8	8.3
Ready meals	104.2	112.8	120.8	129.1	138.1	147.7
Soup	13.7	13.8	14.0	14.4	15.7	16.3
Pasta	55.1	56.1	55.5	54.9	56.3	59.5
Noodles	1.8	2.1	2.7	3.1	5.7	6.3
Canned/preserved food	311.3	318.9	324.1	329.3	335.0	343.4
Frozen processed food	152.9	161.5	168.6	174.1	179.2	187.1
Dried processed food	174.0	171.5	164.8	160.4	164.1	178.9
Chilled processed food	98.0	104.5	111.8	121.7	135.7	151.1
Oils and fats	434.1	446.2	457.6	466.9	481.3	505.6
Sauces, dressings and condiments	200.8	205.0	208.9	210.6	213.3	216.5
Baby food	137.1	140.5	143.2	146.6	149.9	153.8
Spreads	60.2	61.4	61.6	61.3	61.1	61.6
Impulse and indulgence products	1,269.1	1,331.9	1,374.6	1,405.6	1,437.1	1,473.8
Nutrition/staples	3,122.4	3,157.1	3,172.4	3,204.2	3,271.4	3,399.4
Meal solutions	799.6	826.9	851.0	874.5	903.9	940.0
Packaged food	5,192.1	5,316.9	5,399.0	5,485.2	5,613.0	5,813.6

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates
 Notes: Sum of sectors does not equal total packaged food because of double counting (for example canned soup is included in soups and canned foods)

Table 3 Sales of Packaged Food by Sector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Confectionery	2.3	2.1	10.9
Bakery products	-0.1	0.0	-0.2
Ice cream	1.6	2.7	14.5
Dairy products	-	-	-
Sweet and savoury snacks	0.7	1.2	6.2
Snack bars	7.5	14.3	95.1
Meal replacement products	4.6	7.1	40.7
Ready meals	8.0	7.5	43.8
Soup	3.3	4.5	24.3
Pasta	-1.2	-1.2	-5.7
Noodles	10.4	29.2	259.8
Canned/preserved food	2.8	2.7	14.4
Frozen processed food	4.6	4.7	25.8
Dried processed food	-3.2	-2.2	-10.7
Chilled processed food	12.3	10.2	62.6
Oils and fats	0.9	0.8	4.1
Sauces, dressings and condiments	1.0	2.1	11.1
Baby food	1.4	1.5	7.5
Spreads	0.8	0.3	1.7
Impulse and indulgence products	-	-	-
Nutrition/staples	-	-	-
Meal solutions	3.3	3.3	17.8
Packaged food	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Notes: Sum of sectors does not equal total packaged food because of double counting (for example canned soup is included in soups and canned foods)
 Volume sales cannot be consolidated due to different unit measurements (eg confectionery in tonnes and ice cream in litres)

Table 4 Sales of Packaged Food by Sector: % Value Growth 2003-2008

% current value growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Confectionery	3.5	3.9	21.4
Bakery products	3.1	1.8	9.3
Ice cream	2.7	3.8	20.6
Dairy products	3.3	1.5	7.6
Sweet and savoury snacks	1.5	1.2	6.1
Snack bars	6.8	13.2	86.3
Meal replacement products	6.9	9.2	55.3
Ready meals	6.9	7.2	41.7
Soup	3.7	3.6	19.4
Pasta	5.6	1.5	8.0
Noodles	10.8	27.8	240.4
Canned/preserved food	2.5	2.0	10.3
Frozen processed food	4.4	4.1	22.4
Dried processed food	9.1	0.6	2.8
Chilled processed food	11.3	9.0	54.1
Oils and fats	5.1	3.1	16.5
Sauces, dressings and condiments	1.5	1.5	7.8
Baby food	2.6	2.3	12.2

Spreads	0.8	0.5	2.3
Impulse and indulgence products	2.6	3.0	16.1
Nutrition/staples	3.9	1.7	8.9
Meal solutions	4.0	3.3	17.6
Packaged food	3.6	2.3	12.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Notes: Sum of sectors does not equal total packaged food because of double counting (for example canned soup is included in soups and canned foods)

Table 5 GBO Shares of Packaged Food 2003-2007

% retail value rsp Company	2003	2004	2005	2006	2007
Lactogal SA	11.6	11.5	11.4	11.3	11.1
Unilever Group	9.0	9.1	9.3	8.2	8.1
Nestlé SA	6.6	6.6	6.6	6.0	5.9
Danone, Groupe	5.0	4.9	5.0	5.0	5.3
Lactalis, Groupe	3.9	3.8	3.8	4.5	4.4
Kraft Foods Inc	0.9	0.9	0.9	2.3	2.6
Bel, Groupe	2.7	2.6	2.6	2.5	2.5
Nutrinveste SGPS SA	2.6	1.4	1.4	1.4	1.4
Smithfields Foods Inc	-	-	-	1.2	1.2
Mars Inc	1.2	1.3	1.2	1.3	1.2
Cadbury Schweppes Plc	1.0	1.1	1.1	1.1	1.2
Iglo Bird's Eye Frozen Foods	-	-	-	1.1	1.1
Panrico-Donut, Grupo	1.1	1.1	1.1	1.1	1.1
Cereal Partners Worldwide SA	0.8	0.8	1.1	1.1	1.1
Dan Cake SA	1.0	1.0	1.1	1.1	1.0
Lusiteca - Transformação e Embalagem Produtos Alimentares SA	1.0	1.0	1.0	0.9	0.9
Sodiaal SA (Société de Diffusion Internationale Agro- alimentaire)	1.0	1.0	0.9	0.9	0.9
Sara Lee Corp	1.8	1.9	2.0	0.9	0.8
Compal SA - Companhia Productora de Conservas Alimentares Sarl	0.8	0.8	0.8	0.8	0.8
Parmalat Group	1.1	1.0	0.7	0.7	0.6
Grupo SOS	0.6	0.6	0.6	0.6	0.6
Kellogg Co	0.6	0.7	0.6	0.6	0.6
Ferrero Group	0.5	0.6	0.6	0.6	0.6
Ramazzotti SA	0.7	0.7	0.6	0.6	0.6
PepsiCo Inc	0.6	0.6	0.6	0.6	0.6
Cerealis SGPS	-	-	0.5	0.5	0.5
Grupo Ebro Puleva SA	0.6	0.6	0.6	0.5	0.5
Heinz Co, HJ	0.5	0.5	0.5	0.5	0.5
Cofaco - Comercial e Fabril de Conservas SA	0.5	0.5	0.5	0.5	0.5
Cia dos Açores Lda	0.5	0.5	0.5	0.5	0.5
Private Label	10.2	10.4	10.8	11.1	11.3
Artisanal	10.3	10.0	9.7	9.5	9.5
Others	21.5	22.8	22.0	20.5	20.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 6 NBO Shares of Packaged Food 2003-2007

% retail value rsp Company	2003	2004	2005	2006	2007
Lactogal SA	11.6	11.5	11.4	11.3	11.1
Unilever Jerónimo Martins	8.9	9.2	9.4	9.4	9.4
Nestlé Portugal SA	6.7	6.8	6.9	6.2	6.2
Danone Portugal SA	4.8	4.8	4.8	4.9	4.8
Lactalis Portugal SA	3.9	3.8	3.8	3.7	3.7
Fromageries Bel Portugal, SA	2.7	2.6	2.6	2.5	2.5
Sovena SA	1.4	1.4	1.4	1.4	1.4
Triunfo - Produtos Alimentares	1.2	1.2	1.2	1.2	1.2
Indústrias de Carnes Nobre SA	1.1	1.2	1.2	1.2	1.2
Panrico - Produtos Alimentares Lda	1.1	1.1	1.1	1.1	1.1
Dan Cake SA	1.0	1.0	1.1	1.1	1.0
Masterfoods de Portugal Inc	1.0	1.0	1.0	1.0	1.0
Lusiteca - Transformação e Embalagem Produtos Alimentares SA	1.0	1.0	1.0	0.9	0.9
Gelgurte- Industrias Alimentares Lda	1.0	1.0	0.9	0.9	0.9
Cadbury Portugal Produtos de Confeitaria Lda	0.7	0.7	0.8	0.8	0.8
Kraft Foods Iberia SL	-	-	-	0.8	0.8
Compal SA - Companhia Productora de Conservas Alimentares Sarl	0.8	0.8	0.8	0.8	0.8
Cereal Associados Portugal AEIE	0.6	0.6	0.8	0.8	0.8
Lactalis Nestlé Produits Frais	-	-	-	0.7	0.7
Bimbo Lda	0.6	0.6	0.7	0.7	0.7
Milupa Portuguesa Lda	0.7	0.7	0.7	0.7	0.6
Parmalat Portugal Produtos Alimentares SA	1.0	1.0	0.7	0.6	0.6
Cuétara SA	0.6	0.6	0.6	0.6	0.6
Ramazzotti SA	0.7	0.7	0.6	0.6	0.6
Kellogg Portugal	0.6	0.7	0.6	0.6	0.6
Ferrero SpA	0.5	0.6	0.6	0.6	0.6
Matutano SA - Sociedade de Produtos Alimentares	0.6	0.6	0.6	0.6	0.6
Cerealis - Produtos Alimentares SA	-	-	0.6	0.6	0.6
Cofaco - Comercial e Fabril de Conservas SA	0.5	0.5	0.5	0.5	0.5
Cia dos Açores Lda	0.5	0.5	0.5	0.5	0.5
Amorim Lage Lda	0.6	0.6	-	-	-
Private Label	10.2	10.4	10.8	11.1	11.3
Artisanal	10.3	10.0	9.7	9.5	9.5
Others	23.1	23.1	22.9	21.8	22.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 7 Brand Shares of Packaged Food 2004-2007

% retail value rsp Brand	Company	2004	2005	2006	2007
Mimosa	Lactogal SA	4.4	4.3	4.3	4.2
Agros	Lactogal SA	3.4	3.4	3.4	3.3
Queijo Curado	Lactalis Portugal SA	2.1	2.1	2.1	2.1
Suico	Danone Portugal SA	1.8	1.8	1.8	1.8
Gallo	Unilever Jerónimo Martins	1.6	1.7	1.7	1.7
Matinal	Lactogal SA	1.6	1.5	1.5	1.5
Emmental	Lactalis Portugal SA	1.5	1.4	1.4	1.4
Nobre	Indústrias de Carnes Nobre SA	1.2	1.2	1.2	1.2
Iglo	Unilever Jerónimo Martins	1.1	1.1	1.1	1.1
Panrico	Panrico - Produtos Alimentares Lda	0.9	0.9	0.9	0.9
Dan Cake	Dan Cake SA	0.9	0.9	0.9	0.9
Grosso	Lactogal SA	0.9	0.9	0.9	0.9
Pastor	Fromageries Bel Portugal, SA	0.9	0.9	0.8	0.8
Compal	Compal SA - Companhia Productora de Conservas Alimentares Sarl	0.8	0.8	0.8	0.8
Limiano	Fromageries Bel Portugal, SA	0.8	0.8	0.8	0.8
Knorr	Unilever Jerónimo Martins	0.9	0.9	0.9	0.8
Activia	Danone Portugal SA	0.7	0.7	0.8	0.8
Terra Nostra	Fromageries Bel Portugal, SA	0.8	0.8	0.8	0.7
Longa Vida	Lactalis Nestlé Produits Frais	-	-	0.6	0.6
Oliveira da Serra	Sovena SA	0.5	0.6	0.6	0.6
Danone	Danone Portugal SA	0.7	0.6	0.6	0.6
Condestavel	Unilever Jerónimo Martins	0.5	0.6	0.6	0.6
Serra Dourada	Lactogal SA	0.6	0.6	0.6	0.6
S Luiz	Nestlé Portugal SA	0.5	0.5	0.5	0.5
Actimel	Danone Portugal SA	0.5	0.5	0.5	0.5
Magnum	Unilever Jerónimo Martins	0.5	0.5	0.5	0.5
Yoplait	Gelgurte- Industrias Alimentares Lda	0.5	0.5	0.5	0.5
Ramazotti	Ramazotti SA	0.5	0.5	0.5	0.5
Bom Petisco	Cofaco - Comercial e Fabril de Conservas SA	0.5	0.5	0.5	0.5
Fula	Sovena SA	0.5	0.5	0.5	0.5
Private label	Private Label	10.4	10.8	11.1	11.3
Artisanal		10.0	9.7	9.5	9.5
Others		47.7	47.5	46.8	47.2
Total		100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 8 Penetration of Private Label by Sector 2003-2007

% retail value rsp	2003	2004	2005	2006	2007
Baby food	1.1	1.2	1.2	1.2	1.3
Bakery products	7.2	7.5	8.1	8.4	8.4
Canned/preserved food	25.0	25.5	26.1	26.8	27.6
Chilled processed food	28.1	28.4	28.4	28.2	28.4
Confectionery	8.4	8.7	8.8	8.8	8.7
Dairy products	5.4	5.2	5.5	5.7	5.8
Dried processed food	23.4	23.9	23.0	23.2	22.4
Frozen processed food	29.2	29.5	29.5	29.5	29.4
Ice cream	8.1	8.9	9.4	9.9	10.3

Impulse and indulgence products	10.7	11.1	11.3	11.6	11.8
Meal solutions	23.4	24.0	24.6	25.2	25.5
Nutrition/staples	6.6	6.6	6.9	7.1	7.2
Oils and fats	10.3	10.4	11.0	11.4	11.4
Packaged food	10.2	10.4	10.8	11.1	11.3
Pasta	25.2	25.7	26.2	27.1	26.6
Ready meals	30.4	30.2	30.0	29.6	29.7
Sauces, dressings and condiments	16.4	16.9	18.4	19.5	19.7
Snack bars	4.8	7.1	12.9	15.4	16.6
Soup	10.9	10.9	11.0	11.5	10.9
Spreads	10.9	13.0	14.0	15.9	16.9
Sweet and savoury snacks	17.2	17.5	17.0	17.6	17.7

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 9 Sales of Packaged Food by Distribution Format: % Analysis 2003-2008

% retail value rsp	2003	2004	2005	2006	2007	2008
Store-based retailing	99.8	99.8	99.7	99.5	99.4	99.4
Grocery retailers	96.9	96.7	96.4	96.0	95.7	95.5
Supermarkets/hypermarkets	67.8	68.1	68.3	68.5	68.6	68.8
Discounters	3.7	3.9	4.1	4.3	4.5	4.7
Small grocery retailers	12.2	11.9	11.6	11.1	10.6	10.2
Convenience stores	0.9	0.9	0.9	1.0	1.0	1.1
Independent small grocers	9.5	9.2	8.8	8.4	7.8	7.4
Forecourt retailers	1.8	1.8	1.8	1.8	1.8	1.8
Other grocery retailers	13.2	12.9	12.4	12.1	11.9	11.7
Non-grocery retailers	2.9	3.1	3.3	3.5	3.8	3.8
Health and beauty retailers	0.8	0.8	0.8	0.8	0.8	0.8
Other non-grocery retailers	2.1	2.3	2.5	2.7	2.9	3.0
Non-store retailing	0.2	0.2	0.3	0.5	0.6	0.6
Vending	0.1	0.1	0.1	0.2	0.2	0.2
Homeshopping	0.0	0.0	0.0	0.0	0.0	0.0
Internet retailing	0.1	0.1	0.2	0.3	0.4	0.5
Direct selling	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 10 Sales of Packaged Food by Sector and Distribution Format: % Analysis 2008

% retail value rsp	C	BP	IC	DP	SSS	SB
Store-based retailing	99.2	99.0	100.0	99.6	97.6	99.9
Grocery retailers	93.8	96.0	97.2	95.8	96.6	98.7
Supermarkets/hypermarkets	46.2	58.5	48.5	80.0	55.2	73.0
Discounters	3.4	6.1	2.2	3.8	4.8	5.4
Small grocery retailers	18.3	10.9	10.0	7.2	17.8	13.2
Convenience stores	1.7	0.6	2.5	0.9	2.0	3.1
Independent small grocers	10.5	8.2	6.1	5.0	11.4	5.8
Forecourt retailers	6.2	2.0	1.4	1.3	4.4	4.3
Confectionery specialists	16.2	-	-	-	-	-
Other grocery retailers	9.7	20.6	36.5	4.8	18.9	7.1
Non-grocery retailers	5.4	3.1	2.8	3.8	1.0	1.2
Health and beauty	1.0	0.0	0.0	0.0	0.0	0.0

retailers						
Other non-grocery retailers	4.4	3.1	2.8	3.8	1.0	1.2
Non-store retailing	0.8	1.0	0.0	0.4	2.3	0.1
Vending	0.7	0.3	0.0	0.0	1.8	0.0
Homeshopping	0.0	0.0	0.0	0.0	0.0	0.0
Internet retailing	0.1	0.6	0.0	0.4	0.6	0.1
Direct selling	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
	MRP	RM	S	P	N	C/PF
Store-based retailing	81.4	99.0	99.2	99.1	99.8	99.6
Grocery retailers	33.3	99.0	93.8	97.6	98.5	98.3
Supermarkets/hypermarkets	31.8	75.9	71.1	72.3	84.1	82.4
Discounters	0.0	6.8	7.4	7.3	0.9	7.6
Small grocery retailers	0.9	12.6	11.6	14.4	0.0	4.9
Convenience stores	0.0	2.3	2.1	1.4	0.0	0.8
Independent small grocers	0.9	8.1	9.3	9.2	0.0	3.8
Forecourt retailers	0.0	2.2	0.3	3.8	0.0	0.4
Confectionery specialists	-	-	-	-	-	-
Other grocery retailers	0.6	3.7	3.7	3.6	13.5	3.4
Non-grocery retailers	48.1	0.0	5.3	1.5	1.3	1.3
Health and beauty retailers	43.8	0.0	0.0	0.0	0.0	0.0
Other non-grocery retailers	4.3	0.0	5.3	1.5	1.3	1.3
Non-store retailing	18.6	1.0	0.8	0.9	0.2	0.4
Vending	0.0	0.0	0.2	0.0	0.0	0.0
Homeshopping	0.0	0.0	0.0	0.0	0.0	0.0
Internet retailing	18.6	1.0	0.7	0.9	0.2	0.4
Direct selling	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
	FPF	DPF	CPF	O&F	SDC	BF
Store-based retailing	99.6	99.5	99.6	99.3	99.1	100.0
Grocery retailers	99.6	96.6	99.5	95.6	96.0	72.5
Supermarkets/hypermarkets	77.4	72.2	79.7	75.2	75.6	54.9
Discounters	6.9	10.2	6.3	4.3	4.5	0.3
Small grocery retailers	9.9	9.7	9.2	12.0	14.3	13.4
Convenience stores	0.4	1.0	1.5	1.3	1.6	0.0
Independent small grocers	8.3	7.2	6.1	10.3	11.5	13.1
Forecourt retailers	1.2	1.5	1.6	0.3	1.1	0.3
Confectionery specialists	-	-	-	-	-	-
Other grocery retailers	5.4	4.5	4.3	4.2	1.7	3.9
Non-grocery retailers	0.0	2.9	0.1	3.6	3.0	27.5
Health and beauty retailers	0.0	0.0	0.0	0.0	0.0	25.5
Other non-grocery retailers	0.0	2.9	0.1	3.7	3.0	2.0
Non-store retailing	0.4	0.5	0.4	0.8	0.9	0.0
Vending	0.0	0.0	0.0	0.0	0.0	0.0
Homeshopping	0.0	0.0	0.0	0.2	0.0	0.0
Internet retailing	0.4	0.5	0.4	0.6	0.9	0.0
Direct selling	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
	SPR					
Store-based retailing	100.0					
Grocery retailers	98.0					
Supermarkets/hypermarkets	81.1					
Discounters	5.1					
Small grocery retailers	11.3					
Convenience stores	0.3					

Independent small grocers	10.1
Forecourt retailers	0.9
Confectionery specialists	-
Other grocery retailers	0.6
Non-grocery retailers	2.0
Health and beauty retailers	0.0
Other non-grocery retailers	2.0
Non-store retailing	0.0
Vending	0.0
Homeshopping	0.0
Internet retailing	0.0
Direct selling	0.0
Total	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Key: C=Confectionery; BP=Bakery products; IC=Ice cream; DP=Dairy products; SSS=Sweet and savoury snacks; SB=Snack bars; MRP=Meal replacement products; RM=Ready meals; S=Soup; P=Pasta; N=Noodles; C/PF=Canned/preserved food; FPF=Frozen processed food; DPF=Dried processed food; CPF=Chilled processed food; O&F=Oils and fats; SDC=Sauces, dressings and condiments; BF=Baby food; SPR=Spreads

Table 11 Forecast Sales of Packaged Food by Sector: Volume 2008-2013

	2008	2009	2010	2011	2012	2013
Confectionery ('000 tonnes)	29.2	29.8	30.3	30.8	31.2	31.5
Bakery products ('000 tonnes)	440.1	438.6	436.9	434.3	431.7	429.0
Ice cream (million litres)	65.0	66.3	67.4	68.5	69.5	70.3
Dairy products (not calculable)	-	-	-	-	-	-
Sweet and savoury snacks ('000 tonnes)	17.8	17.9	18.0	18.1	18.1	18.2
Snack bars ('000 tonnes)	1.0	1.1	1.2	1.3	1.5	1.7
Meal replacement products ('000 tonnes)	0.2	0.2	0.2	0.2	0.2	0.2
Ready meals ('000 tonnes)	19.2	20.4	21.6	22.8	24.0	25.1
Soup ('000 tonnes)	1.7	1.7	1.7	1.7	1.7	1.8
Pasta ('000 tonnes)	51.4	50.9	50.5	50.2	50.0	49.8
Noodles ('000 tonnes)	0.7	0.7	0.7	0.8	0.8	0.8
Canned/preserved food ('000 tonnes)	110.0	113.2	116.4	119.9	123.4	126.7
Frozen processed food ('000 tonnes)	54.1	56.3	58.4	60.3	61.9	63.3
Dried processed food ('000 tonnes)	135.7	130.1	126.5	122.8	121.0	118.8
Chilled processed food ('000 tonnes)	13.0	14.1	15.0	15.9	16.8	17.6
Oils and fats ('000 tonnes)	184.7	185.7	186.2	186.2	186.3	186.5
Sauces, dressings and condiments ('000 tonnes)	48.5	48.9	49.3	49.5	49.7	49.8
Baby food ('000 tonnes)	25.4	25.8	26.1	26.3	26.5	26.7
Spreads ('000 tonnes)	8.9	9.0	9.0	9.1	9.1	9.1
Impulse and indulgence products (not calculable)	-	-	-	-	-	-
Nutrition/staples (not calculable)	-	-	-	-	-	-
Meal solutions ('000 tonnes)	230.2	237.0	243.5	250.0	256.1	261.6
Packaged food (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 12 Forecast Sales of Packaged Food by Sector: Value 2008-2013

EUR million	2008	2009	2010	2011	2012	2013
Confectionery	400.5	404.8	408.6	412.3	415.6	418.3
Bakery products	1,213.5	1,225.4	1,235.2	1,242.6	1,247.9	1,251.0
Ice cream	397.5	400.0	404.0	408.6	412.4	414.9
Dairy products	1,818.9	1,831.1	1,840.3	1,848.4	1,854.0	1,856.0
Sweet and savoury snacks	154.3	156.0	157.1	157.8	158.4	159.0
Snack bars	19.2	19.9	20.5	21.0	21.4	21.7
Meal replacement products	8.3	8.7	9.0	9.3	9.6	9.8
Ready meals	147.7	154.8	161.8	168.5	175.0	180.8
Soup	16.3	16.6	16.7	16.7	16.7	16.7
Pasta	59.5	60.9	62.1	62.9	63.6	64.1
Noodles	6.3	6.6	7.0	7.2	7.5	7.6
Canned/preserved food	343.4	350.0	357.1	364.7	373.1	382.0
Frozen processed food	187.1	193.6	200.0	206.4	212.8	218.8
Dried processed food	178.9	188.4	196.7	204.0	210.6	216.0
Chilled processed food	151.1	160.1	168.9	177.4	185.1	192.1
Oils and fats	505.6	517.8	528.2	537.1	544.2	550.2
Sauces, dressings and condiments	216.5	216.2	216.3	216.4	217.0	217.9
Baby food	153.8	154.4	154.9	155.3	155.8	156.2
Spreads	61.6	60.9	60.6	60.5	60.8	61.4
Impulse and indulgence products	1,473.8	1,484.0	1,493.8	1,502.9	1,510.8	1,516.3
Nutrition/staples	3,399.4	3,444.7	3,482.7	3,516.0	3,542.3	3,561.1
Meal solutions	940.0	962.0	984.3	1,006.8	1,029.7	1,052.3
Packaged food	5,813.6	5,891.1	5,961.2	6,026.2	6,083.3	6,130.2

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 13 Forecast Sales of Packaged Food by Sector: % Volume Growth 2008-2013

% volume growth	2008-13 CAGR	2008/13 TOTAL
Confectionery	1.5	7.7
Bakery products	-0.5	-2.5
Ice cream	1.6	8.1
Dairy products	-	-
Sweet and savoury snacks	0.4	2.2
Snack bars	11.2	70.0
Meal replacement products	2.7	14.1
Ready meals	5.5	30.7
Soup	1.2	6.0
Pasta	-0.6	-3.0
Noodles	3.2	17.1
Canned/preserved food	2.9	15.1
Frozen processed food	3.2	16.9
Dried processed food	-2.6	-12.4
Chilled processed food	6.1	34.7
Oils and fats	0.2	1.0
Sauces, dressings and condiments	0.5	2.7
Baby food	0.9	4.8
Spreads	0.3	1.5
Impulse and indulgence products	-	-
Nutrition/staples	-	-

Meal solutions	2.6	13.6
Packaged food	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 14 Forecast Sales of Packaged Food by Sector: % Value Growth 2008-2013

% constant value growth	2008-13 CAGR	2008/13 TOTAL
Confectionery	0.9	4.5
Bakery products	0.6	3.1
Ice cream	0.9	4.4
Dairy products	0.4	2.0
Sweet and savoury snacks	0.6	3.0
Snack bars	2.5	13.3
Meal replacement products	3.3	17.8
Ready meals	4.1	22.4
Soup	0.5	2.4
Pasta	1.5	7.8
Noodles	4.0	21.7
Canned/preserved food	2.1	11.2
Frozen processed food	3.2	16.9
Dried processed food	3.8	20.7
Chilled processed food	4.9	27.1
Oils and fats	1.7	8.8
Sauces, dressings and condiments	0.1	0.7
Baby food	0.3	1.5
Spreads	-0.1	-0.3
Impulse and indulgence products	0.6	2.9
Nutrition/staples	0.9	4.8
Meal solutions	2.3	11.9
Packaged food	1.1	5.4

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

FOODSERVICE – KEY TRENDS AND DEVELOPMENTS

Headlines

- Foodservice volumes growth varied widely across categories in 2008
- With increasingly busy lifestyles, demand for foodservice is on the rise
- Chilled processed food registered the strongest performance in 2008, with sales growing by almost 16%
- Pasta sales contracted by 2% in foodservice volume terms in 2008

Trends

- Lifestyles are constantly changing in Portugal; factors such as consumers being increasingly busy and rising numbers of single-person households, particularly in urban areas, are underpinning demand within foodservice, due to the convenience and time-saving characteristics of eating out or ordering in. On the other hand, in a time when health concerns are on the rise, consumers' trust in prepared food is beginning to diminish, with some preferring home-cooked meals or ready meals that enable quality verification. Restaurant and take-away food is commonly perceived to be less healthy, using saturated fats and poor quality ingredients.

- Demand is increasing for meal solutions products to the detriment of foodservice. As consumers opt to eat out less often, retail food sales are increasing, with more meals being prepared in the home.
- Chilled processed food saw the strongest performance in the foodservice channel in 2008, with volume sales increasing by almost 16%. This growth was derived from a number of Asian full-service restaurants, serving Indian food, being opened in Portugal. In fact, in comparison with the rest of Europe, Portugal remained underdeveloped in this category; a good opportunity for substantial penetration existed for the investors.
- Pasta volume sales declined by almost 2% in the foodservice channel in 2008. This negative performance was mainly a result of the saturation of the category, as there are already large numbers of Italian foodservice outlets in Portugal. Simultaneously, new types of cuisine are appearing in the country, such as Thai and Indian, which are attracting consumers' curiosity.

Competitive Landscape

- The Portuguese foodservice industry is characterised by a high level of fragmentation. Even the larger players' scope is at a regional level and they tend to operate by distributing major manufacturers' branded packaged foods.
- Some of the largest players include Nestlé Portugal SA and Unilever Jerónimo Martins, although even these companies will often use local distributors to cover smaller areas in a country where most foodservice establishments are still independent.

Prospects

- Foodservice is expected to continue to play a significant role in packaged food. However, its relevance is expected to diminish over the forecast period, mainly due to increasing health awareness among consumers and the economic slowdown the country will continue to experience.
- The recession and inflation are eroding and will continue to erode consumer purchasing power and hence diminishing demand for foodservice. Health concerns are ever more present, further negatively impacting the channel, as eating out in general is not considered to be healthy.
- Meal solutions products present a significant threat to the foodservice channel, as they are cheaper than eating out and are perceived to be healthier. With increasingly busy lifestyles, Portuguese consumers are increasingly demanding take-home ready meals that enable the verification of ingredients used, to the detriment of eating out in restaurants. In fact, restaurants are perceived to use low quality and fatty ingredients. In order to fix this image, many FSR restaurants offer healthy foods such as salads and many are now increasing their range of freshly made juices.
- With food prices increasing globally, prices in the foodservice channel are also expected to increase over the forecast period. Eating out, however, is considered to be luxury, meaning that demand is somewhat less price elastic than in the retail channel.

Sector Data

	2003	2004	2005	2006	2007	2008
Confectionery ('000 tonnes)	2.2	2.2	2.2	2.2	2.2	2.2
Bakery products ('000 tonnes)	78.8	79.0	78.8	78.7	80.0	80.3
Ice cream (million litres)	9.9	10.5	10.9	11.4	11.7	12.0
Dairy products (not calculable)	-	-	-	-	-	-
Sweet and savoury snacks ('000 tonnes)	4.4	4.5	4.5	4.5	4.5	4.4

Snack bars ('000 tonnes)	-	-	-	-	-	-
Meal replacement products ('000 tonnes)	-	-	-	-	-	-
Ready meals ('000 tonnes)	1.6	1.7	1.8	1.9	2.0	2.1
Soup ('000 tonnes)	0.1	0.1	0.1	0.1	0.1	0.1
Pasta ('000 tonnes)	11.0	11.0	10.9	10.6	10.3	10.1
Noodles ('000 tonnes)	0.1	0.1	0.1	0.1	0.1	0.1
Canned/preserved food ('000 tonnes)	38.0	38.8	39.7	40.3	40.8	41.4
Frozen processed food ('000 tonnes)	23.2	23.1	23.4	23.6	24.0	24.5
Dried processed food ('000 tonnes)	50.3	50.8	50.5	50.3	50.6	51.0
Chilled processed food ('000 tonnes)	2.4	2.6	2.7	2.9	5.0	5.7
Oils and fats ('000 tonnes)	97.6	98.2	99.0	99.5	99.9	100.0
Sauces, dressings and condiments ('000 tonnes)	30.6	31.0	31.2	31.3	31.3	31.4
Baby food ('000 tonnes)	-	-	-	-	-	-
Spreads ('000 tonnes)	0.9	1.0	1.0	1.0	1.0	1.0
Impulse and indulgence products (not calculable)	-	-	-	-	-	-
Nutrition/staples (not calculable)	-	-	-	-	-	-
Meal solutions ('000 tonnes)	94.7	96.1	97.7	98.7	101.7	103.6
Packaged food (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 16 Foodservice Sales of Packaged Food by Sector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Confectionery	1.0	0.8	3.8
Bakery products	0.4	0.4	1.8
Ice cream	2.6	3.9	21.4
Dairy products	-	-	-
Sweet and savoury snacks	-0.3	0.3	1.6
Snack bars	-	-	-
Meal replacement products	-	-	-
Ready meals	4.2	5.2	29.0
Soup	2.9	2.1	10.8
Pasta	-1.8	-1.6	-7.6
Noodles	0.7	1.6	8.3
Canned/preserved food	1.3	1.7	8.8
Frozen processed food	2.1	1.1	5.7
Dried processed food	0.9	0.3	1.4
Chilled processed food	15.6	19.1	139.6
Oils and fats	0.0	0.5	2.5
Sauces, dressings and condiments	0.3	0.5	2.8
Baby food	-	-	-
Spreads	0.9	1.2	6.0
Impulse and indulgence products	-	-	-
Nutrition/staples	-	-	-
Meal solutions	1.9	1.8	9.4
Packaged food	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 17 Forecast Foodservice Sales of Packaged Food by Sector: Volume 2008-2013

	2008	2009	2010	2011	2012	2013
Confectionery ('000 tonnes)	2.2	2.3	2.3	2.3	2.3	2.3
Bakery products ('000 tonnes)	80.3	81.6	82.5	83.0	83.5	83.8
Ice cream (million litres)	12.0	12.3	12.6	13.0	13.4	13.9
Dairy products (not calculable)	-	-	-	-	-	-
Sweet and savoury snacks ('000 tonnes)	4.4	4.4	4.4	4.4	4.4	4.5
Snack bars ('000 tonnes)	-	-	-	-	-	-
Meal replacement products ('000 tonnes)	-	-	-	-	-	-
Ready meals ('000 tonnes)	2.1	2.2	2.2	2.3	2.4	2.5
Soup ('000 tonnes)	0.1	0.1	0.1	0.1	0.1	0.1
Pasta ('000 tonnes)	10.1	10.0	9.9	9.8	9.9	9.9
Noodles ('000 tonnes)	0.1	0.1	0.1	0.1	0.1	0.1
Canned/preserved food ('000 tonnes)	41.4	41.9	42.5	43.0	43.5	44.1
Frozen processed food ('000 tonnes)	24.5	25.1	25.8	26.5	27.4	28.3
Dried processed food ('000 tonnes)	51.0	51.5	52.2	53.0	53.9	54.9
Chilled processed food ('000 tonnes)	5.7	6.0	6.3	6.5	6.8	7.0
Oils and fats ('000 tonnes)	100.0	100.3	100.7	101.3	102.0	102.9
Sauces, dressings and condiments ('000 tonnes)	31.4	31.6	31.8	31.9	32.0	32.0
Baby food ('000 tonnes)	-	-	-	-	-	-
Spreads ('000 tonnes)	1.0	1.0	1.0	1.0	1.1	1.1
Impulse and indulgence products (not calculable)	-	-	-	-	-	-
Nutrition/staples (not calculable)	-	-	-	-	-	-
Meal solutions ('000 tonnes)	103.6	105.2	106.8	108.6	110.3	112.0
Packaged food (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 18 Forecast Foodservice Sales of Packaged Food by Sector: % Volume Growth 2008-2013

% volume growth	2012/13	2008-13 CAGR	2008/13 TOTAL
Confectionery	0.7	0.9	4.4
Bakery products	0.4	0.9	4.4
Ice cream	3.6	3.0	16.2
Dairy products	-	-	-
Sweet and savoury snacks	0.2	0.0	0.2
Snack bars	-	-	-
Meal replacement products	-	-	-
Ready meals	2.8	3.3	17.9
Soup	2.3	2.7	14.1
Pasta	0.0	-0.5	-2.6
Noodles	-0.1	0.2	0.9
Canned/preserved food	1.2	1.3	6.5
Frozen processed food	3.5	3.0	15.8

Dried processed food	1.8	1.5	7.6
Chilled processed food	3.2	4.1	22.1
Oils and fats	0.9	0.6	2.9
Sauces, dressings and condiments	0.1	0.4	1.9
Baby food	-	-	-
Spreads	0.6	1.0	5.3
Impulse and indulgence products	-	-	-
Nutrition/staples	-	-	-
Meal solutions	1.5	1.6	8.1
Packaged food	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

IMPULSE AND INDULGENCE PRODUCTS – KEY TRENDS AND DEVELOPMENTS

Headlines

- Impulse and indulgence products saw an increase of almost 3% in retail value sales in 2008
- Convenience products and new flavours continued to boost sales of impulse and indulgence products in 2008
- The most dynamic category was snack bars with 8% growth in retail volume terms, with 1,000 tonnes sold
- Unit prices tended to remain roughly stagnant, with only chocolate confectionery and gum experiencing significant increases
- Multinational operators Unilever Jerónimo Martins and Nestlé Portugal SA continued to lead in impulse and indulgence products in 2007
- Over the forecast period, impulse and indulgence products will experience sluggish growth with a retail value CAGR of 1%.

Trends

- Impulse and indulgence products registered a positive performance in 2008, with categories experiencing value growth of between 2% and 7%. The main reason behind this growth was the launch of new flavours, along with convenient selling points; manufacturers are investing in more convenient distribution channels such as small fast food outlets.
- Confectionery was the only impulse and indulgence category which saw faster growth in 2008 than the annual rate achieved over the review period. Due to increasingly busy lifestyles and distribution through more convenient selling points (for instance in bookshops), impulse and indulgence products have become more popular in Portugal. In addition, manufacturers are making efforts to add healthier ingredients to their products in an effort to take advantage of the growing health trend in the country.
- Snack bars enjoyed the highest rate of growth, witnessing an increase in volume sales of 8% and a rise of 7% in value terms to reach over EUR19 million in 2008. The main factor behind this strong performance was the convenience that these products offer. Indeed, Portuguese consumers consider snack bars to be quick and healthy, ideal for consumption in the middle of the morning or the afternoon.
- Sales of impulse and indulgence products are increasingly being made in supermarkets/hypermarkets; manufacturers typically promote their products with attractive sales reps working in-store, with products displayed strategically (e.g. small islands in the middle of supermarkets/hypermarkets and near cash registers) in order to stimulate sales. Manufacturers are also investing in other strategic selling points by offering innovative shelf units that effectively display products in a move to boost sales through alternative outlets, such as DVD rental outlets, internet cafés other types of non-grocery retailers and newsagents.

- Manufacturers have been focusing intensively on producing appealing packaging for impulse and indulgence products. Small alterations in packaging design may help to attract the attention of consumers and stimulate impulse purchases.

Competitive Landscape

- Unilever Jerónimo Martins was once again the leading player of impulse and indulgence products with almost 14% of total value sales in 2007. Its ice cream brand Ola, with ranges that go from Magnum, to the more health and calorie conscious Solero have continued to gain popularity, as well as an expanded distribution network. Equally, Nestlé proved to be a strong contender after private label, not only thanks to the expansion in the range of ice cream, but also its dominance in confectionery, where chocolate confectionery accounts for the bulk of sales.
- Almost all companies in this category maintained their share in 2007. This was primarily due to brand loyalty and the strong presence of multinational companies, such as Nestlé Portugal SA, Triunfo - Produtos Alimentares (with a GBO of Kraft Foods Inc) and Unilever Jerónimo Martins.
- Unilever Jerónimo Martins' Ola brand enjoys a strong position in ice cream (ranked third in 2007), largely as a result of the company's continuous efforts to increase share in a category that relies on impulse purchasing decisions and a high number of convenient selling points to maximise volume sales. With this in mind, Unilever launched a new ice cream van for its Ola brand, enabling it to sell its products directly at the beaches.
- A key launch in impulse and indulgence products in 2008 included the new sugar-free lollipops by Chupa Chups Portugal Ltda, offering consumers two flavours – strawberry and cola. Dan Cake SA also launched an improved sweet cake, with selected ingredients, while Unilever launched a new ice cream variant under its Magnum brand that features a delicate texture that is the result of the combination of chocolate ice cream with milk chocolate, cinnamon, nuts and honey.
- Nestlé Portugal SA and Kellogg Portugal invested heavily in the advertising of Fitness snack bars, particularly during the summer season. On the one hand, manufacturers are emphasising the low calorie content of their products, thus appealing particularly to female consumers, while on the other hand, the energy boost that these products offer is also emphasised, in an effort to appeal to consumers who participate in sports, the number of whom increases during the summer months.
- Premium brands continue to compete for share using a range of media and in-store advertising schemes. Manufacturers try to position their products strategically, through the use of attractive sales reps working in-store and fashionable packaging. Producers of standard and economy brands tend to compete through pricing strategies, offering discounts and vouchers.
- Price plays a significant role in the purchase of impulse and indulgence products. Nevertheless, customers appear to be more attracted to branded products than private label products. Although private label products account for a small share of impulse and indulgence products sales, significant efforts are being made to increase market penetration, particularly through hypermarkets/ supermarkets and discounters, where considerable ranges of confectionery, cakes and pastries are available.
- Although artisanal products hold a significant value share of packaged food (almost 10% in 2007), they hold a smaller share in the impulse and indulgence products category, at 5% in 2007. Multinational companies dominate the impulse and indulgence products category. Kellogg's snack bar variants (by Kellogg Portugal), as well as various other brands including Fitness (Nestlé Portugal SA), Ola (Unilever), Ruffles, Lay's, Doritos (Matutano SA - Sociedade de Produtos Alimentares) and Triunfo (Triunfo - Produtos Alimentares) are popular among Portuguese consumers, which has enabled multinational operators to maintain their strong positions.

Prospects

- As impulse and indulgence products are becoming saturated and approaching maturity, it is becoming more difficult for manufacturers to develop product innovations. In this context manufacturers are experimenting with new flavours and expanding convenient distribution channels in order to maintain volume sales in some categories and boost them in others.

- Positive growth rates are expected in the forecast period. Categories within impulse and indulgence products will see volume sales increase annually by between 0.4% (sweet and savoury snacks) and 11% (snack bars). Cakes will be the only exception, registering a decline in value terms over the forecast period. Advertising, new flavour launches and more strategic selling points will be the main reasons for the generally positive growth rates.
- Consumers' increased health concerns will continue to pose a major threat to impulse and indulgence products, as these items are generally perceived as unhealthy by the majority of consumers. Although manufacturers are investing in healthier ingredients and advertising these new additions, a significant number of consumers will continue to prefer healthier foods, such as fresh fruit.
- No merger and acquisition activity is expected over the forecast period.
- New product launches are expected to drive volume sales over the forecast period, as maintaining a sense of novelty within the category is an important factor in terms of encouraging impulse purchases. Thus, competition among manufacturers will be key to propelling innovation, which in turn, will also raise the profile of impulse and indulgence products.

Sector Data

Table 19 Sales of Impulse and Indulgence Products by Sector: Volume 2003-2008

	2003	2004	2005	2006	2007	2008
Confectionery ('000 tonnes)	26.4	26.9	27.4	28.0	28.6	29.2
Pastries ('000 tonnes)	10.5	10.8	11.0	11.1	11.2	11.4
Cakes ('000 tonnes)	15.1	15.4	15.6	15.8	15.9	16.1
Biscuits ('000 tonnes)	80.3	82.6	85.4	87.2	88.6	90.5
Ice cream (million litres)	56.8	59.7	61.8	63.0	64.0	65.0
Sweet and savoury snacks ('000 tonnes)	16.8	16.9	17.0	17.1	17.7	17.8
Snack bars ('000 tonnes)	0.5	0.7	0.8	0.8	0.9	1.0
Impulse and indulgence products (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 20 Sales of Impulse and Indulgence Products by Sector: Value 2003-2008

EUR million	2003	2004	2005	2006	2007	2008
Confectionery	330.0	348.8	362.2	374.2	387.0	400.5
Pastries	42.3	43.6	44.7	45.3	46.5	47.8
Cakes	82.6	84.3	85.3	86.6	88.4	89.8
Biscuits	329.0	337.5	346.9	353.6	358.5	364.8
Ice cream	329.6	356.9	372.4	380.8	386.9	397.5
Sweet and savoury snacks	145.3	146.7	147.5	148.2	151.9	154.3
Snack bars	10.3	14.1	15.6	16.8	18.0	19.2
Impulse and indulgence products	1,269.1	1,331.9	1,374.6	1,405.6	1,437.1	1,473.8

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 21 Sales of Impulse and Indulgence Products by Sector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL

Confectionery	2.3	2.1	10.9
Pastries	1.1	1.6	8.5
Cakes	0.9	1.2	6.3
Biscuits	2.2	2.4	12.7
Ice cream	1.6	2.7	14.5
Sweet and savoury snacks	0.7	1.2	6.2
Snack bars	7.5	14.3	95.1
Impulse and indulgence products	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 22 Sales of Impulse and Indulgence Products by Sector: % Value Growth 2003-2008

% current value growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Confectionery	3.5	3.9	21.4
Pastries	2.9	2.5	13.1
Cakes	1.6	1.7	8.7
Biscuits	1.8	2.1	10.9
Ice cream	2.7	3.8	20.6
Sweet and savoury snacks	1.5	1.2	6.1
Snack bars	6.8	13.2	86.3
Impulse and indulgence products	2.6	3.0	16.1

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 23 Company Shares of Impulse and Indulgence Products 2003-2007

% retail value rsp	2003	2004	2005	2006	2007
Company					
Unilever Jerónimo Martins	12.8	13.2	13.3	13.3	13.3
Nestlé Portugal SA	10.6	10.8	10.6	10.5	10.3
Triunfo - Produtos Alimentares	4.8	4.7	4.8	4.8	4.8
Masterfoods de Portugal Inc	3.9	3.9	4.0	4.1	3.9
Dan Cake SA	3.8	3.7	3.8	3.7	3.6
Lusiteca - Transformação e Embalagem Produtos Alimentares SA	4.1	3.9	3.7	3.7	3.6
Cadbury Portugal Produtos de Confeitaria Lda	2.9	3.0	3.0	3.1	3.3
Kraft Foods Iberia SL	-	-	-	3.2	3.2
Cuétara SA	2.3	2.3	2.3	2.4	2.4
Ferrero SpA	2.0	2.1	2.2	2.2	2.2
Matutano SA - Sociedade de Produtos Alimentares	2.4	2.3	2.3	2.2	2.2
Ramazzotti SA	2.5	2.4	2.3	2.1	2.1
Panrico - Produtos Alimentares Lda	2.2	2.2	2.1	2.1	2.1
Adams SA	1.3	1.3	1.4	1.4	1.5
Bimbo Lda	0.6	0.6	1.0	1.0	1.0
Imperial Produtos Alimentares SA	1.1	1.1	1.0	1.0	0.9
Vicenzi Biscotti SpA	-	-	1.0	1.0	0.9
Mars Inc	1.0	0.9	0.9	0.8	0.8
Danone Portugal SA	0.8	0.8	0.7	0.8	0.7
Häagen-Dazs Co	0.7	0.7	0.7	0.7	0.7

Chupa Chups Portugal Ltda	0.6	0.6	0.6	0.7	0.7
Frutogal - Ind e Comércio de Productos Alimentares Lda	0.9	0.9	0.8	0.7	0.7
Kraft Foods Portugal Produtos Alimentares Lda	0.5	0.5	0.6	0.7	0.7
Crispo Srl	0.4	0.4	0.4	0.5	0.4
GlaxoSmithKline Plc	0.4	0.4	0.4	0.4	0.4
LU SA	0.3	0.3	0.4	0.4	0.4
Lacasa SA (Grupo)	0.4	0.4	0.4	0.4	0.4
Avienense	0.4	0.4	0.4	0.4	0.4
Lamy Lutti SA	0.4	0.4	0.4	0.4	0.4
Sociedade Industrial de Aperitivos Lda	0.3	0.3	0.4	0.4	0.3
United Biscuits Portugal SA	3.2	3.2	3.2	-	-
Parmalat Portugal Produtos Alimentares SA	1.1	1.1	-	-	-
Private Label	10.7	11.1	11.3	11.6	11.8
Artisanal	5.5	5.3	5.2	5.1	5.1
Others	14.9	14.8	14.4	14.1	14.7
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 24 Brand Shares of Impulse and Indulgence Products 2004-2007

% retail value rsp					
Brand	Company	2004	2005	2006	2007
Dan Cake	Dan Cake SA	3.1	3.1	3.1	3.0
S Luiz	Nestlé Portugal SA	2.0	2.0	2.0	1.9
Magnum	Unilever Jerónimo Martins	1.8	1.9	1.9	1.9
Ramazzotti	Ramazzotti SA	1.9	1.7	1.6	1.6
Cornetto	Unilever Jerónimo Martins	1.4	1.4	1.4	1.4
Ola	Unilever Jerónimo Martins	1.3	1.3	1.3	1.3
Panrico	Panrico - Produtos Alimentares Lda	1.3	1.3	1.3	1.3
Caramelos De Nata	Lusiteca - Transformação e Embalagem Produtos Alimentares SA	1.4	1.3	1.3	1.2
Rebuçados	Lusiteca - Transformação e Embalagem Produtos Alimentares SA	1.3	1.2	1.2	1.2
Solero	Unilever Jerónimo Martins	1.2	1.1	1.2	1.2
Proalimentar	Triunfo - Produtos Alimentares	1.1	1.1	1.1	1.1
Ferrero Rocher	Ferrero SpA	1.1	1.2	1.2	1.1
Taco	Unilever Jerónimo Martins	1.1	1.1	1.1	1.0
Camy	Nestlé Portugal SA	1.2	1.2	1.1	1.0
Crunch	Nestlé Portugal SA	1.1	1.1	1.0	1.0
Dove	Masterfoods de Portugal Inc	0.9	1.0	1.0	1.0
Carte d'Or	Unilever Jerónimo Martins	1.0	1.0	1.0	1.0
Eagle	Bimbo Lda	0.6	1.0	1.0	1.0
Grisbi	Vicenzi Biscotti SpA	-	1.0	1.0	0.9
Ruffles	Matutano SA - Sociedade de Produtos Alimentares	0.9	0.9	0.9	0.9
After Eight	Nestlé Portugal SA	0.7	0.8	0.8	0.9
Mars	Masterfoods de Portugal Inc	0.9	0.9	0.9	0.8
Croissant	Panrico - Produtos	0.8	0.8	0.8	0.8

	Alimentares Lda				
Classic	Nestlé Portugal SA	0.8	0.8	0.8	0.8
Bisc&	Mars Inc	0.9	0.9	0.8	0.8
Lay's	Matutano SA - Sociedade de Produtos Alimentares	0.8	0.8	0.8	0.8
LU	Danone Portugal SA	0.8	0.7	0.8	0.7
Häagen-Dazs	Häagen-Dazs Co	0.7	0.7	0.7	0.7
Chipmix	Triunfo - Produtos Alimentares	0.7	0.6	0.6	0.6
Oreo	Kraft Foods Iberia SL	-	-	0.6	0.6
Filipinos	United Biscuits Portugal SA	0.6	0.6	-	-
Grisbi	Parmalat Portugal Produtos Alimentares SA	1.1	-	-	-
Private label	Private Label	11.1	11.3	11.6	11.8
Artisanal		5.3	5.2	5.1	5.1
Others		48.9	48.7	48.9	49.3
Total		100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 25 Forecast Sales of Impulse and Indulgence Products by Sector: Volume 2008-2013

	2008	2009	2010	2011	2012	2013
Confectionery ('000 tonnes)	29.2	29.8	30.3	30.8	31.2	31.5
Pastries ('000 tonnes)	11.4	11.5	11.5	11.6	11.7	11.7
Cakes ('000 tonnes)	16.1	16.2	16.3	16.5	16.7	16.8
Biscuits ('000 tonnes)	90.5	91.9	93.7	95.4	96.7	97.5
Ice cream (million litres)	65.0	66.3	67.4	68.5	69.5	70.3
Sweet and savoury snacks ('000 tonnes)	17.8	17.9	18.0	18.1	18.1	18.2
Snack bars ('000 tonnes)	1.0	1.1	1.2	1.3	1.5	1.7
Impulse and indulgence products (not calculable)	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 26 Forecast Sales of Impulse and Indulgence Products by Sector: Value 2008-2013

EUR million	2008	2009	2010	2011	2012	2013
Confectionery	400.5	404.8	408.6	412.3	415.6	418.3
Pastries	47.8	48.0	48.1	48.2	48.3	48.3
Cakes	89.8	89.6	89.3	88.9	88.4	87.9
Biscuits	364.8	365.7	366.3	366.1	366.3	366.2
Ice cream	397.5	400.0	404.0	408.6	412.4	414.9
Sweet and savoury snacks	154.3	156.0	157.1	157.8	158.4	159.0
Snack bars	19.2	19.9	20.5	21.0	21.4	21.7
Impulse and indulgence products	1,473.8	1,484.0	1,493.8	1,502.9	1,510.8	1,516.3

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 27 Forecast Sales of Impulse and Indulgence Products by Sector: % Volume Growth 2008-2013

% volume growth

	2008-13 CAGR	2008/13 TOTAL
Confectionery	1.5	7.7
Pastries	0.6	2.9
Cakes	0.9	4.5
Biscuits	1.5	7.7
Ice cream	1.6	8.1
Sweet and savoury snacks	0.4	2.2
Snack bars	11.2	70.0
Impulse and indulgence products	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 28 Forecast Sales of Impulse and Indulgence Products by Sector: % Value Growth 2008-2013

% constant value growth	2008-13 CAGR	2008/13 TOTAL
Confectionery	0.9	4.5
Pastries	0.2	1.0
Cakes	-0.4	-2.1
Biscuits	0.1	0.4
Ice cream	0.9	4.4
Sweet and savoury snacks	0.6	3.0
Snack bars	2.5	13.3
Impulse and indulgence products	0.6	2.9

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

NUTRITION/STAPLES – KEY TRENDS AND DEVELOPMENTS

Headlines

- Rice saw the fastest growth at 17% in value terms in 2008
- The health and wellness trend continued to positively impact nutrition/staples while the convenience trend had a negative effect
- Rice saw the fastest growth at 17% in value terms, while in volume terms noodles saw the fastest growth at 10%.
- Unit prices rose in 2008, mainly as a result of global food price increases
- Lactogal SA remained the leading company within nutrition/staples in 2007, followed by Danone Portugal SA and then Lactalis Portugal SA
- Rice is expected to see the largest decline with an annual volume decline of 4% over the forecast period

Trends

- The health and wellness trend has a strong influence in nutrition/staples. Manufacturers are responding successfully with product launches that are low in fat, low in calories and that have added vitamins and minerals. As consumers are becoming increasingly concerned with health issues, the health-related benefits products now offer are serving to influence consumers' purchasing decisions.
- In 2008 the major nutrition/staples categories registered stronger performances than in the previous years of the review period. Increasing health concerns and the introduction of new products to satisfy consumer demand generated this positive shift. However, the biggest problems arise from the increase in the global

unit prices of rice and wheat, translating into unusually expensive prices for basics such as rice, pasta or bread. In fact, some retailers and manufacturers decided to absorb part of the expenses incurred by the increase in price of raw materials.

- Spreads registered a sluggish increase in volume sales, going up by 1% in volume terms, mainly owing to increasing health concerns. Spreads contain high levels of sugar, which is a concern among consumers as a high sugar intake can be related to onset of obesity and diabetes, which has deterred some consumers from buying more chocolate spread than they already do. Jams and preserves are on the other hand facing the threat of RTE breakfast cereals which are becoming increasingly popular among consumers. Honey on the other hand, is starting to benefit from its image as a naturally healthy product.
- Supermarkets/hypermarkets tend to lead in terms of share of distribution for nutrition/staples. Most of these products are essential foodstuffs that shoppers are used to purchasing routinely in supermarkets/hypermarkets. There were no significant changes in the distribution landscape during the review period.
- Manufacturers are investing in the redesign of packaging in order to alert consumers to the health benefits of products. Packaging emphasises product ingredients that can have a positive effect on health, reflecting the increased health consciousness of consumers.
- Unit prices registered a positive performance on the whole. As a result of the global increase in prices, owing mainly to supply shortages, prices in Portugal also rose in 2008. Meal replacement products, which are targeted at high-income consumers who are less price sensitive, registered a significant rise in unit prices.

Competitive Landscape

- In 2007 the Portuguese company Lactogal SA continued to lead nutrition/staples due to its strong presence in dairy products. Leading brands such as Mimosa, Agros, Matinal and Gresso have contributed to the company's continued domination of the segment. Mimosa, which held a leading share of 7% in nutrition/staples in 2007, was also the leading brand in packaged food as a whole with a share of 4%. It was followed by Agros, ranked second with a share of 3% in packaged food and 6% in nutrition/staples, achieved mainly through strong consumer loyalty.
- In 2008 there were not, once again, any major changes in share. Consumer loyalty to branded products (such as Cerelac by Nestlé Portugal SA in baby food and Lactogal brands in dairy products) was the main reason for the lack of movement in share.
- In 2007/2008, Spaza Soc Prod de Azeites do Alentejo invested in the premium segment with its brand Herdade do Esporão; it increased its production of extra virgin olive oil, which is positioned as the healthier type of olive oil. This strategy is likely to be followed by other players, as it is expected to boost brand sales.
- Danone Portugal SA launched a new flavour for its brand Dan'Up. The yoghurt offers a new and exotic flavour, strawberry with lemon, with the same soft and delicate texture to which consumers have become accustomed. This new flavour tries to capture the demand for non-traditional flavours that has been registered in Portugal, particularly among younger consumers.
- Danone also undertook in-store promotions in the form of banded packs and volume discounts. Consumption of yoghurt and baby food was encouraged, for example, through 'buy two, get one free' deals and within baby food it offered prizes. With the declining birth rate, brands are struggling to maintain share and thus engage in frequent sales promotions in an effort to attract new customers.
- Premium and standard brands continued to compete in 2008, using the same past strategies. Premium brands, including those from Lactogal and Parmalat Portugal Produtos Alimentares SA, competed for volume sales through product innovations and by offering an ample line of quality products, supported by intense advertising. On the other hand, economy brands – mainly private label products – relied on heavy discounts and promotions to target less brand-conscious consumers who are looking for value for money.
- Private label products continued to play a small role in almost all categories of nutrition/staples, although their presence has increased in oils and fats, milk, pasta, rice and packaged/ industrial bread, mainly due to increasing prices. Consumers are loyal to branded products in foods such as cheeses, pasta and breakfast cereals, as private label ranges are still not as wide as in other countries and consumers are trusting the

high quality that branded products are believed to offer. This factor has a negative impact on private label product sales in 2007.

- The leader within nutrition/staples is the domestic company, Lactogal SA. It maintains this position through its strong well-known brands, including Mimosa and Agros. However, the presence of multinational companies, such as Danone Portugal SA, Nestlé Portugal SA and Unilever Jerónimo Martins among others, represents a constant threat to this national leader.
- Lactogal acquired International Dairies in 2007, which controls the Renoldy brand in Portugal, reinforcing the dominant position of Lactogal in the production and commercialisation of long-life/UHT milk and fresh/pasteurised milk. After the merger, Lactogal controlled 70% of the raw input for the milk industry in Portugal.
- At an international level, in 2008 Nestlé acquired the baby food producer Gerber from Swiss Novartis. Thus, Nestlé further reinforced its position as leader within baby food and in terms of the international market, Gerber alone accounts for 79% of the North American market.

Prospects

- The health and wellness trend that took effect during the review period will continue to develop over the forecast period. Information relating to health issues is becoming more readily available and the problems inherent with an unhealthy diet will continue to be publicised during the forecast period. In this context, it is expected that the surge of interest in healthy food will continue. Manufacturers will continue to invest in new value-added products with natural ingredients, vitamins and minerals, but with less fat, less salt, less cholesterol and less sugar.
- The stressful time-pressured lifestyles of consumers represent the main threat to the development of nutrition/staples. Consumers have limited time for food preparation at home; on one hand life has become more demanding in terms of work and career commitments, and on the other hand there is a wealth of alternative leisure pursuits that people enjoy in their free time (rather than cooking). Consequently, the demand for convenience food is increasing. These factors will have a negative impact particularly on volume sales of bakery products, pasta and spreads.
- No merger and acquisition activity is expected over the forecast period as the corporate structure is very settled.
- New product launches are expected to perform well over the forecast period. Almost all new launches of 2008 followed trends already existent in Portugal, such as health awareness and demand for more exotic flavours. More manufacturers are likely to adopt similar strategies in order to compete with the leading players.

Sector Data

Table 29 Sales of Nutrition/Staples by Sector: Volume 2003-2008

'000 tonnes	2003	2004	2005	2006	2007	2008
Bread	317.2	312.8	310.1	307.4	303.8	300.9
Breakfast cereals	18.0	19.0	19.7	20.4	20.8	21.2
Dairy products	-	-	-	-	-	-
Meal replacement products	0.1	0.1	0.1	0.2	0.2	0.2
Oils and fats	177.4	179.8	181.4	181.7	182.9	184.7
Baby food	23.7	24.1	24.4	24.7	25.1	25.4
Spreads	8.8	8.9	8.9	8.8	8.9	8.9
Pasta	54.5	55.2	53.9	52.8	52.0	51.4
Noodles	0.2	0.2	0.3	0.4	0.6	0.7
Rice	93.0	90.0	87.0	85.3	83.6	79.7
Nutrition/staples	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 30 Sales of Nutrition/Staples by Sector: Value 2003-2008

EUR million	2003	2004	2005	2006	2007	2008
Bread	554.0	553.9	548.0	549.9	563.2	585.8
Breakfast cereals	102.5	108.5	112.9	117.6	120.8	125.3
Dairy products	1,691.2	1,705.7	1,714.7	1,731.6	1,761.6	1,818.9
Meal replacement products	5.4	5.6	6.1	7.0	7.8	8.3
Oils and fats	434.1	446.2	457.6	466.9	481.3	505.6
Baby food	137.1	140.5	143.2	146.6	149.9	153.8
Spreads	60.2	61.4	61.6	61.3	61.1	61.6
Pasta	55.1	56.1	55.5	54.9	56.3	59.5
Noodles	1.8	2.1	2.7	3.1	5.7	6.3
Rice	81.1	77.1	70.1	65.2	63.7	74.3
Nutrition/staples	3,122.4	3,157.1	3,172.4	3,204.2	3,271.4	3,399.4

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 31 Sales of Nutrition/Staples by Sector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Bread	-0.9	-1.0	-5.1
Breakfast cereals	2.2	3.3	17.7
Dairy products	-	-	-
Meal replacement products	4.6	7.1	40.7
Oils and fats	0.9	0.8	4.1
Baby food	1.4	1.5	7.5
Spreads	0.8	0.3	1.7
Pasta	-1.2	-1.2	-5.7
Noodles	10.4	29.2	259.8
Rice	-4.6	-3.0	-14.3
Nutrition/staples	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 32 Sales of Nutrition/Staples by Sector: % Value Growth 2003-2008

% current value growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Bread	4.0	1.1	5.7
Breakfast cereals	3.7	4.1	22.3
Dairy products	3.3	1.5	7.6
Meal replacement products	6.9	9.2	55.3
Oils and fats	5.1	3.1	16.5
Baby food	2.6	2.3	12.2
Spreads	0.8	0.5	2.3
Pasta	5.6	1.5	8.0
Noodles	10.8	27.8	240.4
Rice	16.6	-1.7	-8.4
Nutrition/staples	3.9	1.7	8.9

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 33 Company Shares of Nutrition/Staples 2003-2007

% retail value rsp Company	2003	2004	2005	2006	2007
Lactogal SA	19.4	19.4	19.4	19.3	19.0
Danone Portugal SA	7.7	7.8	7.9	8.0	7.9
Lactalis Portugal SA	6.4	6.3	6.4	6.4	6.4
Unilever Jerónimo Martins	5.8	5.9	6.1	6.2	6.2
Nestlé Portugal SA	6.3	6.4	6.6	5.5	5.5
Fromageries Bel Portugal, SA	4.5	4.4	4.4	4.3	4.2
Sovena SA	2.4	2.4	2.4	2.4	2.4
Gelgurte- Industrias Alimentares Lda	1.7	1.6	1.6	1.6	1.6
Cereal Associados Portugal AEIE	1.0	1.0	1.3	1.4	1.4
Lactalis Nestlé Produits Frais	-	-	-	1.2	1.2
Milupa Portuguesa Lda	1.1	1.1	1.1	1.1	1.1
Parmalat Portugal Produtos Alimentares SA	1.2	1.2	1.1	1.1	1.1
Panrico - Produtos Alimentares Lda	0.9	0.9	0.9	0.9	0.9
Cerealis - Produtos Alimentares SA	-	-	0.9	0.9	0.9
Kellogg Portugal	1.0	1.0	0.9	0.9	0.9
Cia dos Açores Lda	0.8	0.8	0.8	0.8	0.8
Bimbo Lda	0.7	0.8	0.8	0.8	0.8
Queijaria Videis	0.7	0.7	0.7	0.7	0.7
Lacticínios Vigor SA	0.8	0.8	0.7	0.7	0.6
Nutrexpa Portugal Lda	0.5	0.5	0.6	0.6	0.6
Queijo Saloio SA	0.5	0.5	0.5	0.5	0.5
Empresa Fabril de Moura	0.5	0.5	0.5	0.5	0.5
Arrozerias Mundiarroz SA	0.6	0.5	0.5	0.5	0.4
Manuel Serra SA	0.3	0.3	0.3	0.4	0.4
Saludães SA - Descascadora de Arroz Salutar de Adães	0.4	0.4	0.4	0.4	0.3
Heport Lda (Hero Portugal)	0.3	0.3	0.3	0.3	0.3
Spaza Soc Prod de Azeites do Alentejo	0.2	0.2	0.2	0.2	0.2
Alcides Brancox Co SA	0.2	0.2	0.2	0.2	0.2
Valente Marques SA	0.3	0.3	0.3	0.2	0.2
Kraft Foods Portugal Produtos Alimentares Lda	0.2	0.2	0.2	0.2	0.2
Amorim Lage Lda	0.9	0.9	-	-	-
Artisanal	14.9	14.6	14.3	14.1	14.0
Private Label	6.6	6.6	6.9	7.1	7.2
Others	11.1	11.2	10.7	10.6	11.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 34 Brand Shares of Nutrition/Staples 2004-2007

% retail value rsp Brand	Company	2004	2005	2006	2007
Mimosa	Lactogal SA	7.4	7.4	7.3	7.2
Agros	Lactogal SA	5.7	5.7	5.7	5.7
Queijo Curado	Lactalis Portugal SA	3.6	3.6	3.7	3.7
Suico	Danone Portugal SA	3.0	3.0	3.1	3.0
Gallo	Unilever Jerónimo Martins	2.7	2.9	3.0	3.0
Matinal	Lactogal SA	2.6	2.6	2.6	2.5

Emmental	Lactalis Portugal SA	2.5	2.5	2.4	2.4
Grosso	Lactogal SA	1.5	1.5	1.5	1.5
Pastor	Fromageries Bel Portugal, SA	1.5	1.5	1.5	1.4
Limiano	Fromageries Bel Portugal, SA	1.4	1.4	1.4	1.3
Activia	Danone Portugal SA	1.2	1.3	1.3	1.3
Terra Nostra	Fromageries Bel Portugal, SA	1.3	1.3	1.3	1.3
Longa Vida	Lactalis Nestlé Produits Frais	-	-	1.1	1.1
Oliveira da Serra	Sovena SA	0.9	1.0	1.1	1.1
Danone	Danone Portugal SA	1.1	1.1	1.1	1.1
Condestavel	Unilever Jerónimo Martins	0.9	1.0	1.0	1.0
Serra Dourada	Lactogal SA	1.0	1.0	1.0	1.0
Panrico	Panrico - Produtos Alimentares Lda	0.9	0.9	0.9	0.9
Actimel	Danone Portugal SA	0.8	0.8	0.8	0.8
Yoplait	Gelgurte- Industrias Alimentares Lda	0.8	0.8	0.8	0.8
Fula	Sovena SA	0.9	0.9	0.8	0.8
Queijo ilhia	Cia dos Açores Lda	0.8	0.8	0.8	0.8
Bimbo	Bimbo Lda	0.7	0.8	0.8	0.8
Parmalat	Parmalat Portugal Produtos Alimentares SA	0.8	0.8	0.7	0.7
Cerelac	Nestlé Portugal SA	0.7	0.7	0.7	0.7
Queijo Azeitao	Queijaria Videis	0.7	0.7	0.7	0.7
Vigor	Lacticínios Vigor SA	0.8	0.7	0.7	0.6
Becel	Unilever Jerónimo Martins	0.6	0.6	0.6	0.6
Chocapic	Cereal Associados Portugal AEIE	0.5	0.6	0.6	0.6
Nestlé Artisanal	Nestlé Portugal SA	0.5	0.5	0.6	0.6
Private label	Private Label	14.6	14.3	14.1	14.0
Others		6.6	6.9	7.1	7.2
Total		30.7	30.4	29.3	29.8
Total		100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 35 Forecast Sales of Nutrition/Staples by Sector: Volume 2008-2013

'000 tonnes	2008	2009	2010	2011	2012	2013
Bread	300.9	297.4	293.4	288.5	284.1	280.4
Breakfast cereals	21.2	21.6	22.0	22.3	22.5	22.6
Dairy products	-	-	-	-	-	-
Meal replacement products	0.2	0.2	0.2	0.2	0.2	0.2
Oils and fats	184.7	185.7	186.2	186.2	186.3	186.5
Baby food	25.4	25.8	26.1	26.3	26.5	26.7
Spreads	8.9	9.0	9.0	9.1	9.1	9.1
Pasta	51.4	50.9	50.5	50.2	50.0	49.8
Noodles	0.7	0.7	0.7	0.8	0.8	0.8
Rice	79.7	74.7	71.4	68.2	66.7	64.7
Nutrition/staples	-	-	-	-	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 36 Forecast Sales of Nutrition/Staples by Sector: Value 2008-2013

EUR million	2008	2009	2010	2011	2012	2013
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Bread	585.8	595.1	603.1	609.8	614.4	617.3
Breakfast cereals	125.3	127.0	128.4	129.5	130.5	131.3
Dairy products	1,818.9	1,831.1	1,840.3	1,848.4	1,854.0	1,856.0
Meal replacement products	8.3	8.7	9.0	9.3	9.6	9.8
Oils and fats	505.6	517.8	528.2	537.1	544.2	550.2
Baby food	153.8	154.4	154.9	155.3	155.8	156.2
Spreads	61.6	60.9	60.6	60.5	60.8	61.4
Pasta	59.5	60.9	62.1	62.9	63.6	64.1
Noodles	6.3	6.6	7.0	7.2	7.5	7.6
Rice	74.3	82.1	89.2	95.8	102.0	107.2
Nutrition/staples	3,399.4	3,444.7	3,482.7	3,516.0	3,542.3	3,561.1

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 37 Forecast Sales of Nutrition/Staples by Sector: % Volume Growth 2008-2013

% volume growth	2008-13 CAGR	2008/13 TOTAL
Bread	-1.4	-6.8
Breakfast cereals	1.3	6.6
Dairy products	-	-
Meal replacement products	2.7	14.1
Oils and fats	0.2	1.0
Baby food	0.9	4.8
Spreads	0.3	1.5
Pasta	-0.6	-3.0
Noodles	3.2	17.1
Rice	-4.1	-18.9
Nutrition/staples	-	-

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 38 Forecast Sales of Nutrition/Staples by Sector: % Value Growth 2008-2013

% constant value growth	2008-13 CAGR	2008/13 TOTAL
Bread	1.1	5.4
Breakfast cereals	0.9	4.8
Dairy products	0.4	2.0
Meal replacement products	3.3	17.8
Oils and fats	1.7	8.8
Baby food	0.3	1.5
Spreads	-0.1	-0.3
Pasta	1.5	7.8
Noodles	4.0	21.7
Rice	7.6	44.3
Nutrition/staples	0.9	4.8

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

MEAL SOLUTIONS – KEY TRENDS AND DEVELOPMENTS

Headlines

- Value sales of meal solutions went up by 4% in 2008

- Ready meals grew by 7% in value terms and by 8% in volume terms in 2008
- New launches within meal solutions helped to boost volume sales in 2008
- Chilled processed food was, once again, the best performer in 2008 with retail volume growth of 12%
- The segment's positive performance reflected the growing importance of the convenience trend
- Unilever Jerónimo Martins maintained its leadership of meal solutions in 2007 with a value share of 15%
- Volume sales are expected to continue to grow over the forecast period, although at a slower rate than that seen over the review period

Trends

- Demand for meal solutions grew in 2008, mainly due to shifts in Portuguese lifestyles; busier consumers have less free time to cook meals at home. In addition, the number of single-person households, mainly in urban areas, is rising, leading to a further increase in demand for meal solutions.
- Generally, growth was not significantly different in 2008 to that seen during the review period, although some categories enjoyed a boost in volume sales as a result of new product launches, coupled with demand for convenient products. Chilled processed food was the category that saw the strongest volume performance in 2008, benefiting, for example, from the launch of chilled ready meals such as pasta varieties by Groupe Fleury Michon.
- Chilled processed food saw the fastest growth in retail value terms in 2008, registering an increase of 11%. Chilled ready meals followed the trend previously set within frozen ready meals; in 2008, these meals were based on Italian and traditional Portuguese food. Some popular dishes that were on offer as ready meals included quiche (Portuguese tart), duck rice and shrimp curry. In 2008, traditional Portuguese chilled ready meals accounted for approximately 30% of total value sales. Chilled pizza is also gaining popularity among consumers (with a rise of 13% in both value and volume terms in 2008) because, firstly, these products are much easier and quicker to prepare than home-made pizza and, secondly, they retain their flavour better than frozen pizza.
- Portuguese consumers continued to purchase meal solutions in convenience stores, often near transport links or linked to petrol stations. Nevertheless, supermarkets/hypermarkets remain an important distribution channel for this type of product, as consumers like to stock up on meal solutions in an attempt to save time in the context of their busy lifestyles.
- Packaging is continually updated in an effort to attract consumers at the point of sale. Portuguese consumers tend to shy away from more traditional packaging and are attracted to innovative, modern images.
- Prices are increasingly competitive. For example, consumers are drawing a clear distinction between chilled and frozen pizza, perceiving the former to be superior. However, manufacturers of frozen pizza are lowering prices in order to re-establish their competitive edge.

Competitive Landscape

- Second only to private label, Unilever Jerónimo Martins obtained a share of 15% thanks to its widespread presence across meal solutions. Its brands Knorr and Calvé are well-known among consumers, which, together with an expansion in their flavours and ranges, enables the company to maintain its leadership in 2007. However, little differentiation in categories such as mayonnaise or underperforming in ready meals meant that the gap between private label and Unilever Jerónimo Martins widened.
- Unilever Jerónimo Martins saw the largest decrease in value share in ready meals in 2007, falling by over one percentage point. Its competitors are investing in successful new launches resulting in gains in penetration. Furthermore, as consumers gain awareness of other brands, such as those of Groupe Fleury Michon or General Mills Iberica SA, the category leader loses more share.
- Specialised in the production of fresh vegetables that are washed and ready to eat, in August 2007 the European brand Florette, operated in Portugal by Luso Food Ltda, witnessed the launch of new ready-to-eat salads that included a sachet of sauce and a fork. Such products are considered to be ideal healthy and

convenient meals during the summer months. This new launch reflects the key trends: increasing health awareness and rising demand for convenience. This strategy is likely to be followed by competitors.

- Meal solutions manufacturers are still focusing their investment and attention on advertising campaigns, mainly television and in-store campaigns. Manufacturers' objectives are to persuade consumers that their products are healthy and both easy and quick to cook, in a new era of time scarcity. At the same time, meal solution advertisements are designed to project a strong value-for-money image.
- Domestic companies are offering new products that cater to the demand for traditional Portuguese dishes. Meals such as 'Feijoada' (beans with pork meat) and duck rice are time consuming and difficult to prepare, creating a need for convenience that local companies are addressing.
- In November 2007, Dr. Oetker acquired a small part of the Pescanova portfolio, namely the Pizzanovabrand, to consolidate its position within frozen pizza. In 2004, Dr. Oetker inherited the European pizza market from Unilever and it is now one of the most important competitors of Nestlé Portugal SA in frozen pizza. However, in January 2007, when Iglo was sold by Unilever as part of its European strategy, Dr. Oetker finished its contract with the multinational and started to sell its frozen pizzas under the Ristorante brand. In 2007, Dr. Oetker accounted for a share of 14% of ready meals in Portugal, close to Nestlé Portugal.

Prospects

- The meal solutions segment is expected to continue to see growth in volume and value terms over the forecast period. The main reason for this is the expected rise in popularity of value-added convenience products, with chilled processed meats continuing to contribute strongly to growth alongside newer products such as chilled and frozen pizza.
- The anticipated performance of meal solutions will be largely due to the increasing popularity of healthier products that offer less fat, improved flavours and ease of preparation. Manufacturers will be able to charge a premium for such products and hence generate value growth.
- A poor economic performance in the country as a whole could hinder growth of meal solutions, as these products are considered to be non-essential. With decreasing disposable income and food prices increasing globally, consumers are becoming more price sensitive, thus limiting their purchases of more expensive products.
- Many new product launches are expected to be specifically targeted at Portuguese consumers with busy lifestyles and thus they are likely to gain widespread acceptance. For example, chilled pizzas are seen as an improvement on frozen pizzas, as they take less time to prepare and offer a fresher flavour.

Sector Data

Table 39 Sales of Meal Solutions by Sector: Volume 2003-2008

'000 tonnes	2003	2004	2005	2006	2007	2008
Ready meals	13.3	14.5	15.5	16.6	17.8	19.2
Canned/preserved food	96.2	99.3	101.7	104.2	107.0	110.0
Frozen processed food	43.0	45.1	47.4	49.7	51.8	54.1
Dessert mixes	3.1	2.9	2.8	2.7	2.7	2.6
Dinner mixes	0.1	0.1	0.2	0.2	0.2	0.3
Chilled processed food	8.0	8.8	9.4	10.3	11.6	13.0
Sauces, dressings and condiments	43.6	45.8	47.2	47.3	48.0	48.5
Soup	1.3	1.4	1.4	1.5	1.6	1.7
Meal solutions	195.4	203.4	210.0	216.0	222.8	230.2

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 40 Sales of Meal Solutions by Sector: Value 2003-2008

EUR million	2003	2004	2005	2006	2007	2008
Ready meals	104.2	112.8	120.8	129.1	138.1	147.7
Canned/preserved food	311.3	318.9	324.1	329.3	335.0	343.4
Frozen processed food	152.9	161.5	168.6	174.1	179.2	187.1
Dessert mixes	21.8	21.9	22.0	22.4	22.6	22.8
Dinner mixes	1.1	1.3	1.6	2.0	2.3	2.7
Chilled processed food	98.0	104.5	111.8	121.7	135.7	151.1
Sauces, dressings and condiments	200.8	205.0	208.9	210.6	213.3	216.5
Soup	13.7	13.8	14.0	14.4	15.7	16.3
Meal solutions	799.6	826.9	851.0	874.5	903.9	940.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 41 Sales of Meal Solutions by Sector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Ready meals	8.0	7.5	43.8
Canned/preserved food	2.8	2.7	14.4
Frozen processed food	4.6	4.7	25.8
Dessert mixes	-2.6	-3.1	-14.8
Dinner mixes	14.1	15.4	104.8
Chilled processed food	12.3	10.2	62.6
Sauces, dressings and condiments	1.0	2.1	11.1
Soup	3.3	4.5	24.3
Meal solutions	3.3	3.3	17.8

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 42 Sales of Meal Solutions by Sector: % Value Growth 2003-2008

% current value growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Ready meals	6.9	7.2	41.7
Canned/preserved food	2.5	2.0	10.3
Frozen processed food	4.4	4.1	22.4
Dessert mixes	0.9	0.9	4.6
Dinner mixes	16.3	19.6	144.6
Chilled processed food	11.3	9.0	54.1
Sauces, dressings and condiments	1.5	1.5	7.8
Soup	3.7	3.6	19.4
Meal solutions	4.0	3.3	17.6

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 43 Company Shares of Meal Solutions 2003-2007

% retail value rsp	2003	2004	2005	2006	2007
Company					
Unilever Jerónimo Martins	14.9	14.9	15.0	14.9	14.7
Indústrias de Carnes Nobre SA	6.8	6.8	6.9	7.0	7.0
Compal SA - Companhia	4.9	4.9	5.0	5.1	5.0

Productora de Conservas Alimentares Sarl					
Cofaco - Comercial e Fabril de Conservas SA	3.2	3.1	3.0	3.0	2.9
Luso Food Ltda	2.1	2.3	2.3	2.5	2.6
Idal - Indústrias de Alimentação Idal Lda	2.8	2.9	2.9	2.9	2.5
Pescanova (Portugal) - Produtos Alimentares	2.6	2.6	2.6	2.5	2.5
Maçarico SA	2.2	2.2	2.2	2.2	2.2
Ramirez & Co Filhos SA	2.4	2.3	2.3	2.2	2.2
Nestlé Portugal SA	1.9	1.9	2.0	2.0	2.0
Fábricas Vasco da Gama - Indústria Transformadora	1.7	1.7	1.7	1.7	1.6
Febar-Fernando Barros Lda	1.6	1.6	1.5	1.5	1.4
Sapropor Produtos Alimentares SA	1.5	1.5	1.4	1.3	1.3
Vensy Portugal Lda	1.3	1.3	1.3	1.3	1.3
Nunes Sequeira SA	1.2	1.1	1.1	1.1	1.1
Ducros Margão	1.4	1.3	1.2	1.1	1.1
Xantelmar SL	1.2	1.1	1.1	1.1	1.1
Super Snack	-	-	0.8	0.9	0.9
United Biscuits Portugal SA	0.9	0.9	0.9	0.9	0.9
F Lima SA	1.1	1.0	0.9	0.9	0.9
Bonduelle Portugal Agro Industrias Lda	0.8	0.8	0.8	0.8	0.9
Raimundo & Maia	0.7	0.7	0.7	0.7	0.6
Agrodelta-Indústrias Alimentares Lda	0.7	0.6	0.6	0.6	0.6
Vitacress Grupo	0.4	0.4	0.5	0.5	0.6
Conserveira do Sul Lda	0.7	0.7	0.6	0.6	0.5
Ramazotti SA	0.4	0.4	0.4	0.4	0.4
Colmeia do Minho Lda, A	0.5	0.4	0.4	0.4	0.4
Jerónimo Martins - Distribucao de Productos de Consumo Lda	0.5	0.4	0.4	0.4	0.4
Sugal-Alimentos SA	-	-	-	-	0.3
Sicasal - Indústria e Comércio de Carnes, Soc	0.3	0.3	0.3	0.3	0.3
Star - Stabilimento Alimentare SpA	0.9	0.8	-	-	-
Masterfoods de Portugal Inc	0.4	0.4	-	-	-
Private Label	23.4	24.0	24.6	25.2	25.5
Others	15.1	14.8	14.7	13.9	14.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 44 Brand Shares of Meal Solutions 2004-2007

% retail value rsp	Company	2004	2005	2006	2007
Nobre	Indústrias de Carnes Nobre SA	6.8	6.9	7.0	7.0
Iglo	Unilever Jerónimo Martins	6.8	7.0	7.1	7.0
Compal	Compal SA - Companhia Productora de Conservas Alimentares Sarl	4.9	5.0	5.1	5.0
Knorr	Unilever Jerónimo Martins	5.6	5.5	5.4	4.7
Bom Petisco	Cofaco - Comercial e Fabril de Conservas SA	3.1	3.0	3.0	2.9

Florette	Luso Food Ltda	2.3	2.3	2.5	2.6
Maçarico	Maçarico SA	2.2	2.2	2.2	2.2
Ramirez	Ramirez & Co Filhos SA	2.3	2.3	2.2	2.2
Guloso	Idal - Indústrias de Alimentação Idal Lda	2.3	2.4	2.4	2.1
Maggi	Nestlé Portugal SA	1.9	1.9	1.9	1.9
Pescanova	Pescanova (Portugal) - Produtos Alimentares	1.8	1.8	1.8	1.8
Atum General	Fábricas Vasco da Gama - Indústria Transformadora	1.7	1.7	1.7	1.6
Izidoro	Sapropor Produtos Alimentares SA	1.5	1.4	1.3	1.3
Skandia	Vensy Portugal Lda	1.3	1.3	1.3	1.3
Calvé	Unilever Jerónimo Martins	1.4	1.3	1.3	1.2
Flor do Pereiro	Nunes Sequeira SA	1.1	1.1	1.1	1.1
Margão	Ducros Margão	1.3	1.2	1.1	1.1
Martiko	Xantelmar SL	1.1	1.1	1.1	1.1
Grand Italia	Super Snack	-	0.8	0.9	0.9
Bonduelle	Bonduelle Portugal Agro Industrias Lda	0.8	0.8	0.8	0.9
Hochwald	Febar-Fernando Barros Lda	0.9	0.9	0.9	0.8
Frizer	Pescanova (Portugal) - Produtos Alimentares	0.8	0.8	0.7	0.7
Vianeza	Unilever Jerónimo Martins	0.7	0.7	0.7	0.6
Cister	Raimundo & Maia	0.7	0.7	0.7	0.6
Campo Oliva	Agrodelta-Indústrias Alimentares Lda	0.6	0.6	0.6	0.6
Ferbar	Febar-Fernando Barros Lda	0.7	0.7	0.6	0.6
Vitacress	Vitacress Grupo	0.4	0.5	0.5	0.6
Ristorante	Unilever Jerónimo Martins	-	-	-	0.6
Manná	Conserveira do Sul Lda	0.7	0.6	0.6	0.5
Royal	United Biscuits Portugal SA	0.5	0.5	0.5	0.5
Grand Italia	Star - Stabilimento Alimentare SpA	0.8	-	-	-
Private label	Private Label	24.0	24.6	25.2	25.5
Others		19.2	18.6	17.8	18.5
Total		100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 45 Forecast Sales of Meal Solutions by Sector: Volume 2008-2013

'000 tonnes	2008	2009	2010	2011	2012	2013
Ready meals	19.2	20.4	21.6	22.8	24.0	25.1
Canned/preserved food	110.0	113.2	116.4	119.9	123.4	126.7
Frozen processed food	54.1	56.3	58.4	60.3	61.9	63.3
Dessert mixes	2.6	2.5	2.4	2.3	2.3	2.2
Dinner mixes	0.3	0.3	0.3	0.3	0.3	0.3
Chilled processed food	13.0	14.1	15.0	15.9	16.8	17.6
Sauces, dressings and condiments	48.5	48.9	49.3	49.5	49.7	49.8
Soup	1.7	1.7	1.7	1.7	1.7	1.8
Meal solutions	230.2	237.0	243.5	250.0	256.1	261.6

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 46 Forecast Sales of Meal Solutions by Sector: Value 2008-2013

EUR million

	2008	2009	2010	2011	2012	2013
Ready meals	147.7	154.8	161.8	168.5	175.0	180.8
Canned/preserved food	343.4	350.0	357.1	364.7	373.1	382.0
Frozen processed food	187.1	193.6	200.0	206.4	212.8	218.8
Dessert mixes	22.8	22.4	22.0	21.6	21.2	20.6
Dinner mixes	2.7	3.0	3.3	3.6	3.9	4.1
Chilled processed food	151.1	160.1	168.9	177.4	185.1	192.1
Sauces, dressings and condiments	216.5	216.2	216.3	216.4	217.0	217.9
Soup	16.3	16.6	16.7	16.7	16.7	16.7
Meal solutions	940.0	962.0	984.3	1,006.8	1,029.7	1,052.3

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 47 Forecast Sales of Meal Solutions by Sector: % Volume Growth 2008-2013

% volume growth	2008-13 CAGR	2008/13 TOTAL
Ready meals	5.5	30.7
Canned/preserved food	2.9	15.1
Frozen processed food	3.2	16.9
Dessert mixes	-3.6	-16.6
Dinner mixes	5.7	32.0
Chilled processed food	6.1	34.7
Sauces, dressings and condiments	0.5	2.7
Soup	1.2	6.0
Meal solutions	2.6	13.6

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 48 Forecast Sales of Meal Solutions by Sector: % Value Growth 2008-2013

% constant value growth	2008-13 CAGR	2008/13 TOTAL
Ready meals	4.1	22.4
Canned/preserved food	2.1	11.2
Frozen processed food	3.2	16.9
Dessert mixes	-2.0	-9.5
Dinner mixes	8.7	51.7
Chilled processed food	4.9	27.1
Sauces, dressings and condiments	0.1	0.7
Soup	0.5	2.4
Meal solutions	2.3	11.9

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

DEFINITIONS

This report analyses the market for packaged food in Portugal. For the purposes of the study, the market has been defined as follows:

- Confectionery
- Bakery products
- Ice cream

- Dairy products
- Sweet and savoury snacks
- Snack bars
- Meal replacement products
- Ready meals
- Soup
- Pasta
- Noodles
- Canned/preserved food
- Frozen processed food
- Dried processed food
- Chilled processed food
- Oils and fats
- Sauces, dressings and condiments
- Baby food
- Spreads

Sources used during research include the following:

Summary 1	Research Sources
Official Sources	Didpa Distribuição
	Fromagerie Bel Portugal
Trade Associations	ACHOC - Associação dos Industriais de Chocolate e Confeitaria
	AIMGA - Associação dos industriais de Margarinas e Gorduras Alimentares
	AIPAN - Associação dos Industriais de Panificação e Pastelaria
	AIPL - Associação dos Industriais de Panificação de Lisboa
	ALIF - Fishery
	ANCIPA (Associação Nacional de Comerciantes e Industriais de Produtos Alimentares)
	Asociación de Industriales de la Carne (AICAR)
	Associação Comerciantes de Pescado (ACOPE)
	Associação das Industrias de Bolachas e Afins (AIBA)
	Associação Distribuidores Produtos Alimentares (ADIPA)
	Associação dos Fabricantes de Produtos Cárneos AFABRICAR
	Associação dos Industriais de Chocolate e Confeitaria (ACHOC)
	Associação dos Industriais de Lacticínios
	Associação Nacional de Produtores de cereais

	(ANPOC)
	Associação Nacional dos Industriais Arroz (ANIA)
	Associação Nacional dos Industriais de Conservas de Peixe (ANICP)
	Associação Nacional dos Industriais de Gelados Alimentares (ANIGA)
	Associação Nacional dos Industriais de Lacticínios (ANIL)
	Associação Nacional dos Industriais de Moagem de Trigo, Milho e Centeio
	Associação Port Empresas Distribuição (APED)
	Associação Portuguesa de Empresas de Distribuição (APED)
	Caobisco (European Confederation for Confectionery & Biscuits)
	Casa do Azeite
	Federação Nacional das Cooperativas de Produtores de Leite (Fenelac)
	FIOVDE (Portuguese Association of Margarine & Edible Oils)
	FIPA - Federação das Indústrias Portuguesas Agro Alimentares
Trade Press	Diario de Noticias
	Distribuição Hoje
	FIPA flash
	Hipersuper
	Ideias e Negocios
	Jornal de Negócios
	Marketing
	Publico Economia
	Revista Supermercado
	Semanario Economico
	Super Interessante
	Supermercado
	Vida Economica
	Visão

Source: Euromonitor International

LOCAL COMPANY PROFILES - PORTUGAL

DAN CAKE SA

Strategic Direction

- The performance of Dan Cake SA has been supported by the successful extension of its product lines, based on a deep and comprehensive knowledge of customers' needs and preferences. This extension was linked to the company's heavy investment in product quality.
- The company's strategy is principally based on constant innovation. In 2008, packaging was redesigned and a new cake, in the form of a sweet dessert, was launched to reinforce this strategy.

Key Facts

Summary 2	Dan Cake SA: Key Facts
Full name of company:	Dan Cake SA
Address:	Quinta da Piedade, lotes I/P 2625 Póvoa de Santa Iria, Portugal
Tel:	+351 (21) 953 2500
Fax:	+351 (21) 953 2548
www:	www.dancake.pt
Activities:	Production and distribution of bakery products

Source: *Euromonitor International from company reports, trade press (Hipersuper, Revista Supermarket)*

Company Background

- Dan Cake Portugal SA was founded in 1978 from a partnership between Sr Kantilal Jamnadas and the company Daniscake. It established its headquarters in Póvoa de Santa Iria. The company started to sell products under the Daniscake brand and was the first Portuguese industrial bakery products manufacturer to be operational in the country.
- In 1981 the Daniscake brand name was replaced and the company started to use and sell its products under the name Dan Cake Portugal SA. In the same year, the company decided to invest in new technologies that would enable it to create its first lines of cakes and pies.
- In 1988 Dan Cake abandoned its plant in Santa Iria and established two new production plants: one in Lisbon and the other in Coimbra. This expansion enabled the company to extend its line of products to biscuits, bread substitutes, croissants, cakes and pies.
- Over the years, the company has seen huge growth, selling its products in similar markets elsewhere. Dan Cake exports to more than 35 countries and revenues from international trade represent around 50% of total company turnover. It sells under the Dan Cake brand to Portugal and PALOP (African Countries of Portuguese Official Language). When selling to other countries, it trades under the brand Aresita.
- Dan Cake also produces private label products, which represents 9% of total company revenues.

Production

- The company has three plants: two are located in Portugal (Lisbon and Coimbra), with a third in Hungary (Budapest). It employs around 600 people and has a total production capacity of 40,000 tonnes per month.

Competitive Positioning

- Dan Cake is one of the leading companies in bakery products in Portugal, ranking third overall bakery products in 2007. The quality of its products, combined with its strong presence across retail channels, supported this position over the review period. However, the company is likely to suffer from increasing
- The company invests substantially in refreshing its product lines and packaging in order to attract consumers. These investments are essential as the company believes most bakery products are impulse purchases. A company spokesperson stated, 'We need to change something in the product, keeping the same quality, in order to stimulate consumers to buy it.'

Summary 3 Dan Cake SA: Competitive Position 2007		
Product type	Value share	Rank
Packaged food	1%	11
Bakery products	5%	3
Sweet and savoury snacks	1%	14

Source: Euromonitor International

DINIS & FILHOS LDA, J

Strategic Direction

- J Dinis & Filhos Lda's stated objective is to satisfy consumers, as the company believes that this is the only way in which to achieve a sustainable and competitive position. It does this by emphasising the advantages and quality of its Nazaré products.
- The company launched a new product in 2008, reflecting its objective of improving its position within confectionery, where it is set to maintain its focus throughout the forecast period.

Key Facts

Summary 4 J Dinis & Filhos Lda: Key Facts	
Full name of company:	J Dinis & Filhos Lda
Address:	J Dinis & Filhos, 900-012 Afife, Viana do Castelo, Portugal
Tel:	+351 (25) 898 0010
Fax:	+351 (25) 898 0019
www:	www.dropsnazare.pt
Activities:	Production and distribution of confectionery

Source: Euromonitor International from company reports, trade press (*Hipersuper*, *Revista Supermarket*)

Company Background

- In 1955 Joaquim Dias Soares opened its first plant for the manufacture of sugar confectionery under the Nazaré brand. At this time the company employed just 12 people and worked with artisan methods in a family environment.
- In 1973 Joaquim Dinis Soares joined his son Alvaro Alves Dinis and created J Dinis & Filhos Lda. Over time, the company invested in new technologies, which enabled it to expand its line of products, so that by 1980 it had gained a more competitive position in Portugal.

- During the 1990s the company continuously invested in new technologies, enlarging its production capacity. These investments resulted in sustainable growth that allowed the company to expand its consumer base.
- The company produces and sells many products under the brand Nazaré, within the categories of boiled sweets toffees, caramels and nougat; lollipops; pastilles, gums, jellies and chews; chewing gum.
- Exports represent around 15% of total volume sales. In the short term the company hopes to expand its trade into PALOPs countries, as well as the US, the UK, France, Italy and Spain.
- The company recently launched the lollipops Hugo, the new children TV show. With this licensing agreement, the company is aiming to target children, the main lollipop consumers.

Production

- J Dinis & Filhos Lda has a plant near Viana do Castelo that is responsible for total production, covering its 4,000 clients in Portugal and other markets. Moreover, the company has its own fleet of vehicles, endowing it with nationwide distributional scope.

Competitive Positioning

- J Dinis & Filhos Lda is an important niche producer of certain types of sugar confectionery products, although its sales remain negligible within the context of total packaged food in Portugal.
- The company continues to invest in the most recent and modern technologies for its plant. Combined with high standards of professionalism, this enables the company to produce high-quality products, which satisfy the needs of consumers.
- Its presence at several events, such as Feira Alimentaria and Feira Alimentaria in Exponor, allows the company to better predict future demands of consumers. Information gathered at these events is used in the development of new products, in order to follow trends and meet consumers' needs.

IMPERIAL PRODUTOS ALIMENTARES SA

Strategic Direction

- Imperial Produtos Alimentares SA aims to maintain sustainable growth through a solid strategy of organic expansion. The strategy is based on an optimal level of operations, significant investment in innovation and the constant adding of extensions to its product portfolio.
- Imperial is the only domestic chocolate confectionery manufacturer that operates in all distribution channels and in all segments of the market, distributing its products through more than 30,000 points of sale across Portugal. Its future strategy will see it focusing on exploiting its distribution network to increase sales throughout the country.

Key Facts

Summary 5	Imperial Produtos Alimentares SA: Key Facts
Full name of company:	Imperial Produtos Alimentares SA
Address:	Rua de Sant'Ana 4480-160 Azurara – Vila do Conde, Portugal
Tel:	+351 252 240 370
Fax:	+351 252 240 371
www:	http://imperial.rar.net.novis.pt
Activities:	Production and distribution of chocolate products

Source: Euromonitor International from company reports, trade press (*Hipersuper, Revista Supermarket*)

Company Background

- Imperial was founded in 1932 in Vila do Conde, commencing operations in the production and sale of chocolate confectionery and associated products. In 1973 the RAR Group purchased Imperial, proceeding with significant investments that led to an increase in the production capacity and creation of brands that have achieved a high level of prestige in Portugal, such as Bom-Bokas, Pintarolas and Fantasias.
- In 1982 the company decided to launch the elegant line of Jubileu chocolates and the well-known cooking chocolate brand Pantagruel, to celebrate its 50th anniversary.
- During the 1990s, in response to the evolution of the chocolate confectionery category and in order to guarantee greater flexibility and specialisation, Imperial – Comércio e Distribuição de Produtos Alimentares SA was created, concentrating on sales and the distribution of products. This enabled the company to start a process of internationalisation in 1997, exporting to Latin America and Europe.
- In 2000 the company opted to restyle the Jubileu brand, in order to give it a more premium image, in order to compete with more premium brands. Additionally, it purchased the Regina Chocolates brand to launch a new generation of Regina products in 2002. Also in 2002 the company acquired Quality Management System certification in accordance with ISO 9001:2000 standards and expanded its business into Asia, with the first exports going to Japan.
- A merger between the two companies occurred in 2004, through the incorporation of Imperial – Comércio e Distribuição de Produtos Alimentares SA into Imperial Produtos Alimentares SA. This merger allowed the company to focus more on its business through impulse distribution channels.

Production

- Imperial Produtos Alimentares SA specialises in the production of chocolate-coated dried fruit and has developed a wide range of chocolate-covered almonds, hazelnuts and other varieties. The company also produces a wide range of products with customised formulas destined for the confectionery and pastry categories.

Competitive Positioning

- Imperial Produtos Alimentares SA is a major Portuguese player in chocolate confectionery, where it ranked fifth in value terms in 2007. It has an impressive portfolio of brands, recognised for their quality, such as Jubileu, Regina, Pintarolas, Allegro, Pantagruel and Fantasias. In addition to these brands, the company sells and distributes products made by international producers, such as Duc d'O pralines. However, the company lost its share due to the increasing competition from multinational players who are heavily promoting their brands in media. Whilst, Imperial has a traditional image, it did not play to its advantage when targeting young people, who tend to look for fresher up-to-date brands.
- Its strong position is also supported by another of its business areas – contract manufacturing. Imperial gives its clients the opportunity to subcontract out the development and production of their products, using know-how acquired and developed over more than 70 years of chocolate production.

Summary 6 Imperial Produtos Alimentares SA: Competitive Position 2007		
Product type	Value share	Rank
Packaged food	0.2%	46
Confectionery	3%	7

Source: Euromonitor International

LACTOGAL SA

Strategic Direction

- Lactogal SA is a Portuguese food company specialising in dairy products, where it holds a comfortable leading position due to its presence in many categories and its wide range of products.
- The company constantly invests in innovation and new product launches in order to keep its customers satisfied. This strategy helps it to maintain growth and achieve strong positions in international markets.

Key Facts

Summary 7 Lactogal SA: Key Facts	
Full name of company:	Lactogal SA
Address:	Rua Campo Alegre 830, 4º, Porto; 4150-171 Porto, Portugal
Tel:	+351 (22) 607 0000
Fax:	+351 (22) 607 0005
www:	www.lactogal.pt
Activities:	Production and distribution of packaged food products

Source: Euromonitor International from company reports, trade press (*Hipersuper, Revista Supermarket*)

Summary 8 Lactogal SA: Operational Indicators			
	2005	2006	2007
Net sales	EUR6.8 billion	EUR6.6 billion	EUR6.9 billion
Net profit	EUR684 million	EUR950 million	EUR1 billion
Number of employees	N/A	2,200	2,200

Source: Trade press(*Hipersuper, Revista Supermarket*), company research

Company Background

- Lactogal SA is an independent group. It was founded by Agros – União de Cooperativas de Produtores de leite entre douro e o Minho e Trás os Montes, UCRL, the Lacticoop (União das Cooperativas de produtores e leite entre Douro e Mondego) and Proleite Mimososa SA. Its main objective is the production and commercialisation of milk products and other packaged food products.
- From the merger of these companies Lactogal gained substantial share through maintaining high levels of quality. This enabled the company to assure its leadership and the constant satisfaction of its clients and consumers.
- The company has a strong presence in packaged food in Portugal, particularly in dairy products. Through a wide range of products and brands Lactogal has achieved substantial success and consolidated its position in the country. The company is also present in bottled water with the Pleno and Serra da Panha Brands; in yoghurt with Adagio, Agros and Mimososa brands; in dairy products (milk, butter, cream) through Agros, Gresso, Matinal, Milhafres dos Açores, Mimososa, Primor and Vigor brands; in cheese with Agros, Castelinhos, Castelões, Gresso, Matinal, Mimososa, Primor, Serra Dourada and Serra do Côa brands and in fruit/vegetable juice with Fresky and Pleno brands.
- The company invests in national distribution, although its sales are concentrated in larger cities such as Lisbon and Oporto.

Production

- The company operates seven production units, four operational platforms and eight commercial office branches in order to cover the entire Portuguese territory. In terms of production units, one is responsible for the production of alimentary products, particularly milk and cream and is located in Vila do Conde. Another four produce fresh products and are located in Oliveira de Azeméis. A third makes premium products and is located in Tochas. The remaining two are responsible for cheese production and are located in Afins and Sanfins.
- The operational platforms are located near the production units and store all products until they are transported to the eight commercial office branch. These branches are located in Algoz, Beja, Chaves, Frielas, Oliveira de Azeméis, Pombal, Vila do Conde and Viseu and supply the entire country.
- After the acquisition of the Spanish Leche Celta, Lactogal achieved leadership in Iberia in 2007. The company continued to increase its exports, aiming to sell around EUR54 million in 2007 – EUR8 million more than in 2006. Spain continued to be the leading export country, with revenue of EUR42 million, supported by an office branch in Madrid. However, the company is investing in other countries such as Angola, Mozambique, Cabo Verde, Luxembourg and the US to increase its sales.

Summary 9 Lactogal SA: Production Statistics 2007		
Location	Brand	Annual production
Vila do Conde	Agros, Mimosa and Gresso (milk)	1.5 million litres per day
Oliveira de Azeméis	Matinal, Vigor, Mimosa, Gresso and Agros (milk)	40 million litres per year
Oliveira de Azeméis	Agros, Mimosa and Gresso (cream)	1,000 tonnes per year
Oliveira de Azeméis	Mimosa (butter)	7,000 tonnes per year
Oliveira de Azeméis	Mimosa and Adagio (yoghurt)	45,000 tonnes per year
Afins	Castelões, Castelinhos, Matinal (cheese)	2,500 tonnes per year
Sanfins	Primor, Serra Dourada and Serra do Côa (cheese)	5,200 tonnes per year

Source: Trade press (Hipersuper, Revista Supermarket), company research, trade interviews

Competitive Positioning

- The company has a leading position in many packaged food categories in Portugal, particularly drinking milk products. It is also strong in several other dairy products categories. The quality of its products and the company's continuous launch of innovative foods guarantee loyalty among Portuguese consumers. This has helped to sustain its leading position for a number of years.
- The company expected to earn a total of EUR1 billion in 2007, EUR50 million more than in 2006. Of this sum, EUR678 million will correspond to Lactogal sales exclusively, while the rest will be Leche Celta sales (a Spanish subsidiary).
- Lactogal positions itself in more mature or less dynamic categories, such as milk, yoghurt, cheese and cream. Through several brands, the company aims to be present not only at the high end of the market (e.g. with Adagio) but at the mid-low end (e.g. with Mimosa and Agros).
- Lactogal acquired International Dairies in 2007, which controls the Renoldy brand in Portugal. This reinforced the dominant position of Lactogal in the production and commercialisation of long-life/UHT milk and fresh/pasteurised milk. After the merger, Lactogal controlled 70% of the raw input for the milk industry in Portugal.

Summary 10 Lactogal SA: Competitive Position 2007	
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Product type	Value share	Rank
Packaged food	11%	1
Dairy products	32%	1
Oils and fats	10%	3
Baby food	4%	4

Source: Euromonitor International

LUSITECA - TRANSFORMAÇÃO E EMBALAGEM PRODUTOS ALIMENTARES SA

Strategic Direction

- The main objective of Lusiteca - Transformação e Embalagem Produtos Alimentares SA is to maintain its leading position in sugar confectionery in Portugal and reinforce its presence in similar markets elsewhere. Consumption of hard and soft confectionery saw slow growth during the latter years of the review period. IN order to do this, the company is likely to extend its range of confectionery products consumerd by adults, such as sugar- free and functional mints and boiled sweets and toffees.

Key Facts

Summary 11 Lusiteca – Transformação e Embalagem Produtos Alimentares SA: Key Facts	
Full name of company:	Lusiteca – Transformação e Embalagem Produtos Alimentares SA
Address:	Rua das Vargens, Apartado 18, 2726-920 Mem Martins, Portugal
Tel:	+351 (21) 926 6260 / +351 (93) 468 8420
Fax:	+351 (21) 921 2316
www:	www.lusiteca.pt
Activities:	The manufacture and distribution of sugar confectionery products

Source: Euromonitor International from company reports, trade press (Hipersuper, Revista Supermarket)

Company Background

- Lusiteca is a privately owned Portuguese company, founded in 1968. It is located in Mem Martins – Sintra, where its headquarters and industrial facilities cover an area of 12 sq km. Here it employs around 170 people.
- Lusiteca produces a large variety of hard and soft confectionery, as well as bubble gum and chewing gum, which are traded under the Drops Recheio Penha, Drops Fruta Mouro, Gorila, Super Gorila, Mini Gorila and Maguila brands. The company sells its products through the retail and foodservice channels.
- Lusiteca's continuous growth is based on the needs of both domestic and international markets, as it has a strong presence in several countries.
- The company uses sponsorship and competitions as its main methods of advertising. A competition to win three N-Gages games consoles every month was launched in 2007 and the company sponsored Associação Nacional de Aviação Clássica e Experimental, the National Association of Classic and Experimental Aviation, in order to stimulate sales.

- Taking into account consumers' increasing health awareness, the company launched a new sugar-free gum, Gorila Sugar Free. Also at the end of the review period, it launched a new chewing gum called Bubble Gum Maguila, a gum that incorporates two flavours in the same product in a mini format, in a move to refresh its portfolio.

Production

- In 1970 the company's production amounted to 130 tonnes. In 2005, with the expansion of its facilities and the investment in new technologies, the company produced over 4,000 tonnes, making it the largest Portuguese company in sugar confectionery.

Competitive Positioning

- Lusiteca - Transformação e Embalagem Produtos Alimentares SA maintained its second position in confectionery in 2007, as a result of its strong presence in the mainstream retail and impulse distribution channels across Portugal. It positions itself in the mass segment, offering several brands and products. The company's strategy consists of new launches and price promotions, as well as campaigns to refresh the image of its brands and maintain its competitive position in a mature category.
- However, the company faces stiff competition from foreign multinationals such as Wrigley or Perfetti who have much higher financial strength to invest in advertising in sugar confectionery, which is indeed a sector highly dependent on promotions are driven by brand image.

Summary 12 Lusiteca – Transformação e Embalagem Produtos Alimentares SA: Competitive Position 2007		
Product type	Value share	Rank
Packaged food	1%	13
Confectionery	14%	2

Source: Euromonitor International

MARTINS & COSTA SA

Strategic Direction

- The company's main strategic aims are to maintain its position as a leader within high-quality food, importing selected international recognised and premium brands into the Portuguese market. The company is likely to select brands which are focused upon 'ethnic' products, including Indian and Brazilian cuisine, as well as French and Italian cheeses, among others, targeting medium- and high-end customers who have travelled outside of Portugal and tasted traditional foreign products.

Key Facts

Summary 13 Martins & Costa SA: Key Facts	
Full name of company:	Martins & Costa SA
Address:	Rua Pereira Henriques, Nº. 6-12, 1950-242 Lisbon, Portugal
Tel:	+351 (21) 862 0940
Fax:	+351 (21) 862 099
www:	www.martinsecostasa.com
Activities:	Manufacture and distribution of packaged food

products

Source: Euromonitor International from company reports, trade press (*Hipersuper, Revista Supermarket*)

Company Background

- Founded in 1887 under the name, Frutaria Costa, the company started out as a fruit and vegetable specialist retailer in Rua do Carmo, Lisbon. In 1939, under different ownership, the company became Martins & Costa SA and was by far the best-known operator within in its business, not only nationally but internationally as well, having become one of the biggest firms to import and distribute quality packaged food products.
- In the 1960s 'delicatessen' products became commonly associated with Martins & Costa SA.
- It opened its own retail chain called Celeiro, but later chose to close it down and focus on distribution to major retailers and cash-and-carry operators.

Competitive Positioning

- Martins & Costa's main activity consists of the importation and nationwide distribution of food products. Its share of overall packaged food sales stood at 0.1% in 2007.
- It principally caters to medium- and high-end consumers and those consumers who travel abroad and are interested in other cultures, tastes and traditions.
- It led sales of coffee whiteners in 2007 with a share of 70% in value terms. It is also particularly active in sauces, were although it only accounted for less than 1% of total value sales, brands such as Amoy are easily recognisable. One of the weaknesses is that the products it distributed are still very niche, which might constrain its growth prospects in the longer term.

Summary 14 Martins & Costa SA: Competitive Position 2006

Product type	Value share	Rank
Packaged food	0.1%	73
Sweet and savoury snacks	0.3%	16
Sauces, dressings and condiments	1%	13
Spreads	4%	8
Other dairy products	0.4%	7

Source: Euromonitor International

READY MEALS IN PORTUGAL

HEADLINES

- Ready meals grew by 7% in value terms and 8% in volume terms in 2008 in Portugal
- Convenience, in terms of high quality, practical and quick to prepare meals, was the key driver of ready meals in 2008
- Chilled ready meals was the most dynamic subsector in 2008, registering volume growth of 15%
- Chilled ready meals also registered the greatest change in volume growth between 2007 and 2008, from 20% to 15%
- The average unit price decreased slightly in 2008, to €7.69/kg
- The Florette prepared salads brand consolidated its position within the ready meals sector in Portugal, due to the launch of new products and packaging, and its quality-based strategy
- Over the forecast period, ready meals value sales are expected to grow at a CAGR of 4%, while volume sales are expected to grow by an annual average of 6%

TRENDS

- Ready meals grew by 7% in value terms in 2008, to amount to €148 million, while ready meals volume sales increased by 8%. Increasingly fast-paced Portuguese lifestyles, with long working hours, have reduced the time families have for cooking, while the increase in the number of single households in urban areas has also contributed to rapid growth in sales of ready meals. In this context, the key ready meals brands in Portugal have been successful in their launches of new products that meet current demand from Portuguese young adults. However, many Portuguese consumers remain sceptical of ready meals, regarding such products in the same they might fast food – as a convenient but not necessarily high quality or healthy option.
- In 2008, volume sales of ready meals experienced a slightly higher growth rate than the review period, average. Value growth in 2008 was similar to that in previous years. Ready meals offer consumers convenience, which, together with the development of added-value packaging such as easy-to-open packs, have helped produce healthy growth in ready meals in Portugal.
- Chilled pizza saw dynamic growth in 2008, of 13% in both current value and volume terms. This was rather higher than the average growth seen by the subsector during the review period. However, the appearance of new frozen pizza players, such as Dr Oetker, and the expanded ranges offered by private label manufacturers brought dynamism increased competition between frozen and chilled pizza. In 2008, frozen pizza volume sales grew by 13%, reaching 3,800 tonnes.
- Chilled and frozen ready meals have experienced strong growth in the last few years. Frozen ready meals is the largest subsector in ready meals, and is fairly mature, while chilled ready meals have only begun to emerge in the last few years, with sales in 2008 of €16 million. Convenience is the key selling point in the ready meals sector, associated with three fundamental concepts: practicality, speed and flavour. The profile of the typical Portuguese consumer of chilled and frozen ready meals is a person living in the region of Lisbon, in a three-person household and aged between 35 and 50 years.
- In 2008, the average unit price in ready meals witnessed a slight decrease to €7.69/kg, mainly due to a decrease in unit prices in the frozen pizza subsector. However, there was a 2% rise in canned/preserved ready meals prices during the year.
- The most popular frozen ready meals among Portuguese consumers are Italian meals and traditional Portuguese recipes, accounting for 63% and 34%, respectively, of total value sales. Italian frozen ready meals, such as cannelloni, lasagne and pizza, are already quite common in Portugal. Within traditional Portuguese ready meals, popular recipes include croquettes, cream cod and seafood rice.

- Chilled ready meals show a similar profile to frozen ready meals in terms of recipes and, in 2008, mainly concentrated on Italian and traditional Portuguese food, with products such as quiche, arroz de pato and caril de gambas. In 2008, traditional Portuguese recipes accounted for 29% of total chilled ready meal value sales. Domestic brands produce a wide range of products particularly suited to Portuguese tastes.
- Vegetarian ready meals continued to show strong growth in value terms in 2008, helped by the increasing offer of products within hypermarkets/supermarkets. There is a substantial range of prepared salads available in the Portuguese market, contributing to sales of vegetarian products. In 2007, Kioene launched Paella Vegetariana, an alternative healthy meal, which is 100% vegetarian and easy to prepare, being ready in seven minutes. The brand, owned by Kioene, is distributed by Celeiro-Dieta health food shops.
- In Portugal, health and flavour were key drivers of ready meals purchasing in 2008. In the last decade, consumers have been exposed to much media reporting of health issues, as well as food safety issues, which has contributed to increasing concern about the quality and safety of packaged food. Moreover, lifestyle changes and long working hours have promoted the purchasing of healthy and nutritious products. Low-calorie ready meals have performed well in Portugal, which has led to the launch of new products to target Portuguese consumers pursuing a calorie controlled diet.
- With the large number of bars and restaurants in Portugal, ready meals companies face very strong competition from foodservice outlets, which offer a wide range of food. However, due to the poor economic conditions in the country, consumers are increasingly likely to opt for ready-to-eat varieties or consumption at home.

COMPETITIVE LANDSCAPE

- Unilever leads the ready meals sector, with a 23% share of retail value sales in 2007, primarily through the Iglo brand. Private label has a strong presence, accounting for 30% of total value sales. Unilever's nearest branded competitors are Luso Food Ltda and Nestlé Portugal SA, with value shares of 17% and 6%, respectively, in 2007. The Iglo brand clearly dominates frozen ready meals, with 50% of total value sales.
- In 2007, the Milaneza brand, owned by Cerealís Produtos Alimentares, reinforced its position within the ready meals sector through the launch of new products, including entering new subsectors, as well as new packaging designs. In October 2007, two new chilled ready meals were launched, under the Quiches Milaneza name. In line with the traditional recipe, these two tarts have a base of wheat flour and water. Quiche Lorraine contains ham, Maasdam cheese, bacon, cream and eggs, while Vegetable Quiche combines grilled vegetables and goat cheese. Cerealís Produtos Alimentares invested strongly in marketing activities to support the launch, using television, specialist magazines, the Internet, in-store promotions and sports sponsorship.
- The key players in ready meals constantly launch new products. The Nobre brand, which includes the Nobre Viva range of ready meal products, launched individual portion ready meals in 2007. Meanwhile, 4 Salti, owned by Iglo, launched Macarroni 4 Queijos and Gnocchi. Fleury Michon aims to launch a range of chilled ready meals, mainly pasta-based.
- Florette, a European specialist in the production of fresh, washed and ready-to-eat vegetables, launched a line of ready-to-eat salads, with sauce and a fork included, in Portugal in August 2007. It was marketed as an ideal choice for healthy and convenient meals during summer. Florette's salads are available in two versions: Valenciana and Castellana, and include carrots, onions, lettuce, cherries and corn.
- Economy brands continued to keep up with the competition by offering consumers products of good quality at affordable prices. Competition among these brands is mainly based on price. Meanwhile, companies offering premium brands have segmented their ranges further, establishing a gourmet niche, targeting a more discerning audience which is less price sensitive.
- Private label holds a share larger than that of any individual brand manufacturer, with 30% of value sales in 2007. Lower prices than manufacturers' brands and an expanding range of products are the main reasons for this strong position. Private label clearly dominates chilled, accounting for a value share of 68% in 2007, although its share is declining as brand manufacturers focus on this fast-growing subsector.
- Domestic companies, such as Industria de Carnes Nobre, have focused on developing demand from the Portuguese population for traditional Portuguese cuisine. Traditional meals such as feijoada and bacalhau

are difficult to prepare and time consuming, so domestic companies are addressing the need for a more convenient alternative. However, most of the key brands of ready meals available in Portugal are owned by multinational companies.

PROSPECTS

- Sales of ready meals are forecast to grow at a CAGR of 6% in volume terms between 2008 and 2013 to reach 25,000 tonnes, while value sales are expected to grow by an annual average of 4%.
- Ready meals is still a relatively underdeveloped sector in Portugal compared with other markets across Europe, and thus has substantial potential for growth. Portuguese consumers continue to be very traditional regarding food, preferring to cook their meals themselves. However, with lifestyles accelerating and the quality of ready meals improving, this is expected gradually to change.
- Frozen and chilled pizzas are expected to continue to register strong growth over the forecast period, increasing at CAGRs of 10-11% in volume terms between 2008 and 2013. Chilled pizza is expected to reach 1,100 tonnes and almost €8 million at constant 2008 prices in 2013. Chilled ready meals are also expected to grow dynamically, with CAGRs of 6% in volume and 8% in value terms. However, frozen ready meals are approaching maturity, with growth likely to slow down to a CAGR of below 4% in volume over the forecast period.
- Volume sales are expected to rise fractionally faster than current value sales between 2008 and 2013, due mainly to the increasing penetration of private labels. However, in chilled ready meals, which are an area of increasing focus for manufacturers, private label will continue to lose share to brands, leading to a rise in the average unit price.
- New product launches, particularly those that offer not only convenience to the consumer but also bring them the flavour of traditional Portuguese meals, are expected to perform well during the forecast period.
- It remains the case that many Portuguese consumers are suspicious of ready meals in terms of their flavour and their healthiness, thus manufacturers are likely to continue to emphasise the positive qualities of their products in this regard. With the increase in concern regarding health and fitness, the leading brands are expected to complement their ready meals portfolios with a range of vegetarian and soy-based products. In this context, prepared salads are expected to see sales increase further over the forecast period.

SECTOR DATA

Table 49 Sales of Ready Meals by Subsector: Volume 2003-2008

'000 tonnes	2003	2004	2005	2006	2007	2008
Canned/preserved ready meals	1.0	1.0	1.0	1.0	1.0	1.0
Frozen ready meals	5.2	5.9	6.5	6.9	7.1	7.6
Dried ready meals	0.5	0.5	0.5	0.5	0.5	0.5
Chilled ready meals	1.5	1.6	1.6	1.7	2.0	2.3
Dinner mixes	0.1	0.1	0.2	0.2	0.2	0.3
Frozen pizza	2.4	2.6	2.7	3.0	3.3	3.8
Chilled pizza	0.5	0.5	0.5	0.5	0.6	0.7
Prepared salads	2.1	2.3	2.5	2.7	2.9	3.1
Ready meals	13.3	14.5	15.5	16.6	17.8	19.2

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 50 Sales of Ready Meals by Subsector: Value 2003-2008

EUR million

	2003	2004	2005	2006	2007	2008
Canned/preserved ready meals	5.3	5.4	5.5	5.6	5.6	5.7
Frozen ready meals	36.6	40.6	44.6	47.3	48.6	51.3
Dried ready meals	4.0	4.1	4.2	4.2	4.3	4.4
Chilled ready meals	9.9	10.2	10.5	11.2	14.0	16.1
Dinner mixes	1.1	1.3	1.6	2.0	2.3	2.7
Frozen pizza	16.9	18.5	18.7	19.4	20.4	21.6
Chilled pizza	3.3	3.3	3.4	3.7	4.2	4.7
Prepared salads	27.1	29.5	32.4	35.6	38.7	41.1
Ready meals	104.2	112.8	120.8	129.1	138.1	147.7

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 51 Sales of Ready Meals by Subsector: % Volume Growth 2003-2008

% volume growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Canned/preserved ready meals	-1.1	-1.2	-6.0
Frozen ready meals	5.8	7.8	45.3
Dried ready meals	1.2	1.2	5.9
Chilled ready meals	14.6	8.8	52.4
Dinner mixes	14.1	15.4	104.8
Frozen pizza	13.3	9.2	55.2
Chilled pizza	13.1	7.6	44.3
Prepared salads	5.9	8.5	50.4
Ready meals	8.0	7.5	43.8

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 52 Sales of Ready Meals by Subsector: % Value Growth 2003-2008

% current value growth	2007/08	2003-08 CAGR	2003/08 TOTAL
Canned/preserved ready meals	1.0	1.2	6.1
Frozen ready meals	5.5	7.0	40.4
Dried ready meals	1.4	1.8	9.5
Chilled ready meals	15.3	10.2	62.6
Dinner mixes	16.3	19.6	144.6
Frozen pizza	6.1	5.0	27.7
Chilled pizza	13.1	7.6	44.5
Prepared salads	6.3	8.7	52.0
Ready meals	6.9	7.2	41.7

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 53 Ready Meals: Vegetarian Vs Non-vegetarian % Breakdown by Type 2008

% value analysis	Vegetarian	Non-vegetarian	Total
Canned/preserved ready meals	5.3	94.8	100.0
Frozen ready meals	8.5	91.5	100.0
Chilled ready meals	3.8	96.2	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 54 Frozen Ready Meals % Breakdown by Ethnicity 2004-2008

% retail value rsp	2004	2005	2006	2007	2008
American	3.5	3.1	2.9	2.0	1.3
Italian	68.4	67.2	66.1	65.8	62.8
Japan	-	0.2	0.4	0.6	0.9
Spanish	0.4	0.7	0.9	1.1	1.5
Traditional	27.7	28.8	29.7	30.5	33.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 55 Chilled Ready Meals % Breakdown by Ethnicity 2004-2008

% retail value rsp	2004	2005	2006	2007	2008
American	3.0	6.5	14.0	16.9	8.2
French	4.0	4.5	5.0	6.5	10.1
Italian	68.0	64.0	58.0	55.5	37.1
Spanish	4.0	5.0	5.0	6.0	14.8
Traditional	21.0	20.0	18.0	15.1	28.6
Others	-	-	-	-	1.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 56 Ready Meals Company Shares 2003-2007

% retail value rsp Company	2003	2004	2005	2006	2007
Unilever Jerónimo Martins	24.2	24.7	24.9	24.6	23.3
Luso Food Ltda	16.4	16.6	16.4	16.7	16.8
Nestlé Portugal SA	7.4	7.5	7.3	7.1	6.8
Pescanova (Portugal) - Produtos Alimentares	5.2	5.3	5.1	5.1	5.0
Vitacress Grupo	3.0	3.0	3.2	3.6	3.9
Indústrias de Carnes Nobre SA	2.3	2.1	2.0	2.4	2.5
General Mills Iberica SA	1.1	1.2	1.3	1.4	1.6
Idal - Indústrias de Alimentação Idal Lda	1.0	1.0	0.9	0.9	0.8
Star - Stabilimento Alimentare SpA	0.9	0.9	0.8	0.8	0.7
Campofrío Alimentación SA (Grupo)	0.7	0.6	0.6	0.7	0.7
Cerealís - Produtos Alimentares SA	-	-	0.5	0.5	0.6
Hakisushi Restauração Lda	-	-	-	-	0.6
Sogenave - Sociedade Geral de Abastecimento à Navegação e Indústria Hoteleira SA	0.5	0.5	0.5	0.5	0.5
Fleury Michon, Groupe	0.1	0.1	0.3	0.4	0.5
Panzani SA	0.3	0.3	0.3	0.3	0.2
Weight Watchers International Inc	0.3	0.1	0.1	0.0	0.0
Colmeia do Minho Lda, A	0.1	0.1	0.0	0.0	0.0
Amorim Lage Lda	0.5	0.5	-	-	-

Private Label	30.4	30.2	30.0	29.6	29.7
Others	5.6	5.5	5.8	5.5	5.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 57 Ready Meals Brand Shares 2004-2007

% retail value rsp	Company	2004	2005	2006	2007
Brand					
Iglo	Unilever Jerónimo Martins	17.9	18.4	18.3	17.4
Florette	Luso Food Ltda	16.6	16.4	16.7	16.8
Maggi	Nestlé Portugal SA	7.5	7.3	7.1	6.8
Pescanova	Pescanova (Portugal) - Produtos Alimentares	5.3	5.1	5.1	5.0
Vitacress	Vitacress Grupo	3.0	3.2	3.6	3.9
Ristorante	Unilever Jerónimo Martins	-	-	-	3.9
Nobre	Indústrias de Carnes Nobre SA	2.1	2.0	2.4	2.5
Knorr	Unilever Jerónimo Martins	6.7	6.5	6.3	2.0
Old El Paso	General Mills Iberica SA	1.2	1.3	1.4	1.6
Heinz	Idal - Indústrias de Alimentação Idal Lda	1.0	0.9	0.9	0.8
Grand Italia	Star - Stabilimento Alimentare SpA	0.9	0.8	0.8	0.7
Campofrio	Campofrío Alimentación SA (Grupo)	0.6	0.6	0.7	0.7
Milaneza	Cerealis - Produtos Alimentares SA	-	0.5	0.5	0.6
Hakisushi	Hakisushi Restauração Lda	-	-	-	0.6
Eurocarnes	Sogenave - Sociedade Geral de Abastecimento à Navegação e Industria Hoteleira SA	0.5	0.5	0.5	0.5
Fleury Michon	Fleury Michon, Groupe	0.1	0.3	0.4	0.5
Panzani	Panzani SA	0.3	0.3	0.3	0.2
Weight Watchers	Weight Watchers International Inc	0.1	0.1	0.0	0.0
Colmeia	Colmeia do Minho Lda, A	0.1	0.0	0.0	0.0
Milaneza	Amorim Lage Lda	0.5	-	-	-
Private label	Private Label	30.2	30.0	29.6	29.7
Others		5.5	5.8	5.5	5.8
Total		100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 58 Forecast Sales of Ready Meals by Subsector: Volume 2008-2013

'000 tonnes	2008	2009	2010	2011	2012	2013
Canned/preserved ready meals	1.0	1.0	1.0	1.0	1.0	0.9
Frozen ready meals	7.6	7.9	8.2	8.6	8.9	9.1
Dried ready meals	0.5	0.5	0.5	0.5	0.5	0.5
Chilled ready meals	2.3	2.5	2.7	2.9	3.0	3.1
Dinner mixes	0.3	0.3	0.3	0.3	0.3	0.3
Frozen pizza	3.8	4.2	4.7	5.2	5.7	6.3
Chilled pizza	0.7	0.7	0.8	0.9	1.0	1.1
Prepared salads	3.1	3.2	3.4	3.5	3.6	3.6
Ready meals	19.2	20.4	21.6	22.8	24.0	25.1

Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates

Table 59 Forecast Sales of Ready Meals by Subsector: Value 2008-2013

EUR million	2008	2009	2010	2011	2012	2013
Canned/preserved ready meals	5.7	5.7	5.7	5.7	5.7	5.6
Frozen ready meals	51.3	53.6	55.8	57.9	59.9	61.6
Dried ready meals	4.4	4.4	4.5	4.5	4.6	4.7
Chilled ready meals	16.1	17.8	19.5	21.0	22.3	23.4
Dinner mixes	2.7	3.0	3.3	3.6	3.9	4.1
Frozen pizza	21.6	23.0	24.4	26.2	28.4	30.6
Chilled pizza	4.7	5.3	5.9	6.5	7.1	7.7
Prepared salads	41.1	42.0	42.8	43.1	43.2	43.0
Ready meals	147.7	154.8	161.8	168.5	175.0	180.8

Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates

Table 60 Forecast Sales of Ready Meals by Subsector: % Volume Growth 2008-2013

% volume growth	2008-13 CAGR	2008/13 TOTAL
Canned/preserved ready meals	-0.8	-4.2
Frozen ready meals	3.9	21.1
Dried ready meals	1.1	5.8
Chilled ready meals	6.2	34.8
Dinner mixes	5.7	32.0
Frozen pizza	10.7	66.0
Chilled pizza	10.2	62.2
Prepared salads	3.1	16.4
Ready meals	5.5	30.7

Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates

Table 61 Forecast Sales of Ready Meals by Subsector: % Value Growth 2008-2013

% constant value growth	2008-13 CAGR	2008/13 TOTAL
Canned/preserved ready meals	-0.1	-0.7
Frozen ready meals	3.7	20.1
Dried ready meals	1.3	6.8
Chilled ready meals	7.8	45.4
Dinner mixes	8.7	51.7
Frozen pizza	7.2	41.5
Chilled pizza	10.1	62.0
Prepared salads	0.9	4.7
Ready meals	4.1	22.4

Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates