

**MONTHLY REPORT
FOR
APRIL 2010**

PREPARED FOR CRANBERRY MARKETING COMMITTEE

PREPARED BY SOHN'S MARKET MAKERS

1. GENERAL MARKET SITUATION

- The number of male customers in supermarkets has been increasing dramatically. GS Supermarket, the nation's largest supermarket chain, said the proportion of male shoppers in its stores rose from 20.7 percent in 2005 to 26.5 percent in 2008 and 31.4 percent in 2009. The retail industry believes the increase is partly because of the way men prefer to shop. Unlike women who decide what to buy after browsing the entire store and reviewing similar items, men stick to their shopping list and waste little time. As men generally do not like to stay in stores for a long time, and tend to be less price-obsessed than women, they favor supermarkets over discount stores. But a more fundamental reason is the increase of single men in their 30s. A breakdown of customers by age group showed that the largest groups of male shoppers, 37.8 percent, are those in their 30s. This is higher than the largest groups of female shoppers, which are those in their 30s and 40s at 30.1 and 32.8 percent, respectively.
- With "family month" approaching (the month of May), local retailers are busy promoting various marketing events to boost sales amid improving consumer sentiment. The month is often a solid sales period for retailers, as various gift-giving holidays including Children's Day, Parent's Day and Teacher's Day fall within May. Local department stores say it is the third-highest month in terms of sales after the month when Chuseok is held - which can vary - in the fall and December, when consumers shell out money for Christmas and other holiday presents. Lotte Department Store, the nation's largest retail chain, is holding various events from this Friday to May 9 featuring the popular Snoopy character. For those consumers purchasing more than 200,000 won (\$180) worth of merchandise, the retailer is giving away a Snoopy fashion bag or a 10,000 won gift voucher. It's also giving out Snoopy balloons and stickers on a first-come basis through May 5. Competing with Lotte, Shinsegae Department Store is also planning on catering to young customers using the main Hello Kitty character. It is creating a spot in all of its branches where visitors can take photos against a Hello Kitty-themed background. Hyundai Department Store is also targeting children and their families to raise sales in early May, creating a mini theme park on the sixth floor of its Apgujeong branch in southern Seoul, and holding magic shows and puppet performances.

- Local consumer sentiment appears to be recovering this year based on the latest findings of the E-Mart Index, a sales indicator that the Shinsegae Group adopted in March 2009 to track quarterly sales. The index, which measures changes in consumption patterns, tracks sales of 476 types of food, clothing and other essentials at E-Mart's 50 branches. The E-Mart Index for the first quarter of 2010 reached 108.1 points, the highest figure since the giant retailer started releasing the data a year ago. For the same quarter last year, the index was 95. If the index is more than 100, it indicates an upturn in consumption trends and less than 100 means a downturn. Indexes for food, clothing, household goods and culture activities rose from a year earlier. The Q1 index for food increased from 97.7 to 107.6 points from a year ago and clothing from 88.8 to 105.2. The index indicated overall spending on cultural activities also rose from 88.5 to 115.7. Consumers raised spending on electronic devices and furniture, which are considered key barometers of consumer spending. For example, the E-Mart Index for spending on television was 169.7, which is almost double the figure of 82.1 in the first quarter last year. Refrigerators were at 124.6, up 24.6 percent from 85.1 a year ago. The index for washing machines jumped from 75.3 to 107.4.
- Lotte Shopping Co., Korea's biggest department store chain, said it plans to increase its overseas outlets to about 32 from two because growth potential is greater abroad than at home. The Seoul-based retailer may establish the stores by 2018 in countries including China, Russia and Vietnam and aims to boost annual overseas revenue to 5 trillion won (\$4.4 billion) in the period, according to Lotte's spokesperson in the 2nd week of April. The company plans to expand abroad "to develop a new growth engine as the domestic market gets saturated," Lee said. Lotte Shopping has said it plans to expand via acquisition as it aims to increase 2010 net income 8.9 percent to 780 billion won. The company on March 4 said it sold 600 billion won in bonds to help fund acquisitions.

2. Industry Information

- Shinsegae, one of the major department store chains, manages "Premium Grocery Store" just in front of the food grocery corner that deals with imported food products. 3 new cranberry products are being sold at the store. 100% pure cranberry concentrate juice is W98,000 for a pint-sized bottle. Organic Cranberry

Nectar, containing 9.8% cranberry concentrate, costs ₩12,000 per 980ml. Cranberry & Lime sparkling juice contains 0.223% of cranberry concentrate and its retail cost is ₩3,900 for a 375ml bottle.

3. MEDIA COVERAGE

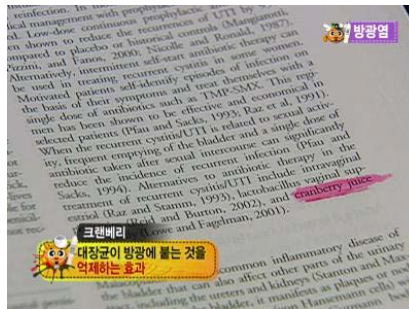
This month, we monitored 12 instances of media placement including, 1 TV program, 3 articles in consumer lifestyle magazines and 8 articles in internet news sites.

Category	# of Articles		Weighted Media Value	
	Apr 10	Jan ~ Apr 10	Apr 10	Jan ~ Apr 10
Category 1	1	10	\$50,000	\$68,000
Category 2	0	0	\$0	\$0
Category 3	0	0	\$0	\$0
Category 4	0	0	\$0	\$0
Category 5	11	35	\$81,750	\$192,750
Total	12	45	\$131,750	\$260,750

TV Program Coverage

Media	Vitamin by KBS 2
Media Type	National TV Network
Program Type	Health Information Entertainment Show
Air Date	9:00 pm, April 7, 2010
Viewership	10,000,000
Ad Value	\$50,000
Weighted Value	\$50,000

The 2nd biggest health related TV Program in Korea, Vitamin by KBS 2, featured cranberry story. Vitamin is an information/entertainment program in a talk-show format, and they have a section called "One Day Suddenly" covering daily-life health knowledge. In this section, they covered UTIs and suggested cranberries as a good food for UTI health.



Other Media Coverage List

No	Publication -- Subject of Article	Media Type	Issue / Date	Circulation / Monthly Hits	Clipping Category	Weighted Value (USD)
1	Prime Economy http://www.newsprime.co.kr/news/articleView.html?idxno=130143 -Introducing Picnic Menus of Major Restaurants : Cranberry & Chicken Sandwich	Internet News	April 19 th 2010	2,000,000	5	6,000
2	BizPlace http://www.bizplace.co.kr/biz_html/content/naver_content_view.html?seq_no=31094&page=1&code=&code= -Cake menus of Paris Baguette for "Family Month": Berry Berry Roll	Internet New	April 29 th 2010	2,000,000	5	6,000
3	Newsen http://www.newsen.com/news_view.php?uid=201004081031221001 -Cranberry is good for preventing UTI on Health-related TV Program	Internet News	April 8 th 2010	2,000,000	5	6,000

	<Vitamin>					
4	<p>Christian Today</p> <p>http://www.christiantoday.co.kr/view.htm?id=207992</p> <p>-Cranberry Concentrate Juice imported by LS1 had tasting event at Shinsegye Department Store</p>	Internet News	April 14 th 2010	2,000,000	5	6,000
5	<p>Medical Today</p> <p>http://www.mdtoday.co.kr/mdtoday/index.html?no=126493</p> <p>-Cake menus of Paris Baguette for "Family Month": Berry Berry Roll</p>	Internet News	April 29 th 2010	2,000,000	5	6,000
6	<p>E Daily</p> <p>http://efn.edaily.co.kr/Brandnews/NewsTotalRead.asp?sub_cd=DJ&newsid=02223846592933824</p> <p>-Introducing Picnic Menus of Major Restaurants : Cranberry & Chicken Sandwich</p>	Internet News	April 7 th 2010	2,000,000	5	6,000
7	<p>Seoul News</p> <p>http://ntn.seoul.co.kr/main.php?cmd=news/news_view&idx=31954</p> <p>-Cake menus of Paris Baguette for "Family Month": Berry Berry Roll</p>	Internet News	April 30 th 2010	2,000,000	5	6,000
8	<p>Nocut News</p> <p>http://www.cbs.co.kr/nocut/Show.asp?IDX=1453585</p> <p>-Introducing Picnic Menus of Major Restaurants : Cranberry & Chicken Sandwich</p>	Internet News	April 22 2010	2,000,000	5	6,000
9	<p>Better Homes</p> <p>-Recipe Recommendation : Mini Cabbage with Cranberry & White Wine Saute</p>	Consumer Lifestyle Magazine	2010 April	296,000	5	11,250
10	<p>Essen</p> <p>-Introducing Natural Fermented</p>	Consumer Lifestyle	2010 April	296,000	5	11,250

	Bread: Cranberry & Rye Bread	Magazine				
11	Singles -Recipe Recommendation: Cranberry Scone	Consumer Lifestyle Magazine	2010 April	296,000	5	11,250

4. WEBSITE VISITORS

Number of Visitors to www.cranberries.co.kr for 2010

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Monthly Average
1,415	1,258	1,500	1,905									1,519

5. MARKETING ACTIVITIES

Program Management/Trade Communications

CMC Korea (Sohn's Market Makers) made contact with following members of the trade in April:

Seok-Ho Yoon, R & D Manager, Crown Confectionery

Crown is one of the biggest confectionery manufacturers in Korea. After cranberry sample distribution by CMC Korea, they developed a ready-to-launch cookie product with dried cranberries called "Tosca". This product will be distributed in convenience stores, such as the "Buy the Way" chains.

Sung-Joo Park, Director / Hee-Kyung Chung, Recipe Factory

Recipe Factory is a recipe book publisher and cooking class organizer for Shinsegye department store. They suggested having a consumer event where purchasers of the book, "Super Recipe", would receive a package of cranberries with the CMC logo as a gift.

Wang-Jin Kil, Assistant Manager, Shilla Bakery

After cranberry sample distribution by CMC Korea, they asked for the contact list of all dried cranberry importers in Korea. CMC Korea provided the list.

Soo-Mee Kim, Marketing Manager, G & L Food

CMC Korea provided G&L with samples and also discussed marketing activities planned for this year with them.

Consumer Media Relations

CMC Korea provided health information materials to KBS Vitamin writers for their UTI story. The KBS Vitamin team had also mentioned cranberries for UTI health last year during a shorter segment of 1 minute. This time, they treated UTI health as one of the main themes of their 3 top stories for the program.

CMC is also arranging a possible paid segment with MBC, another national TV network. MBC is planning to have a 10 episode special health information program called "Five Colors; Five Flavors for Health", possibly starting from the end of May. They are looking for a red food, in addition to tomatoes, which they already plan to feature in one of the episodes. CMC Korea introduced the production team to US cranberries and provided information on the health benefits of the berries. CMC is now discussing anticipated results if CMC were to sponsor production costs.

QSP Samples

CMC Korea received the additional 51 boxes of dried cranberry samples cleared through diplomatic channels with the cooperation of the Agricultural Trade Office and US Embassy. The samples were distributed to target trade members (as attached) along with cranberry health benefit information. While arranging distribution of this second shipment of samples, CMC Korea discovered that Crown Confectionery, who received the samples from the 1st shipment, completed new product development using dried cranberries, and is ready to launch a product. The product is "Tosca", a cookie-type product, and it is expected to be launched at retail sometime in May. This new product launching news was reported to the ATO, and it is anticipated that the ATO Seoul office is going to report it to FAS Executive Janet Nuzum, who is in charge of the QSP program, and happens to travel to Korea during the 2nd week of May.

6. PERFORMANCE MEASURES UPDATES

Performance Measure	2010 Goal	As of April 2010
Number of cranberry products at retail	120	124
Number of bakery outlets offering cranberry products	10	12 (Paris Baguette, Paris Croissant, Tous Les Jours, Crown Bakery, Dunkin Donuts, A Two Some Place, Starbucks, Donut Plant New York City, Bizeun, Bins Beans, Vezzly, Bread Talk)

Average # of bakery products offered per store	4	3.5
% who have heard of cranberries	76%	N/A
% that have eaten/drunk products containing cranberries	55%	N/A
% of consumers able to identify at least one health benefit of cranberries	8%	N/A
who would be willing to purchase a product containing cranberry	63%	N/A

** For the consumer PMs, an informal survey will be done with at least 100 consumers during the bakery/confectionery promotions or consumer cooking classes for the 2010 marketing year.