

Lotus Maestro

Creating Added Value in the Dutch Kitchen Towel Market



January 25th 2006

Background

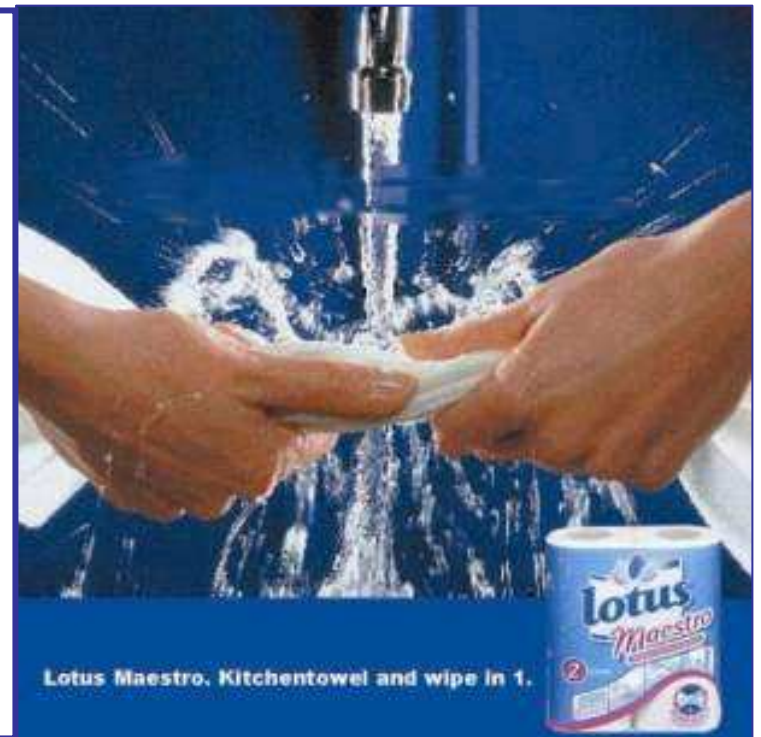
- Between 1995 and 2004 volume of the kitchen towel market increased from 100 mio rolls to 132 mio rolls (+32%).
- Over this time the market value grew from €46 mio to €56 mio (+22%).
- Lotus Maestro entered the Dutch kitchen towel market in 1995.
- It is the sole premium kitchen towel in the market.

In what way did Lotus Maestro contribute to value increase of the Dutch kitchen towel market?

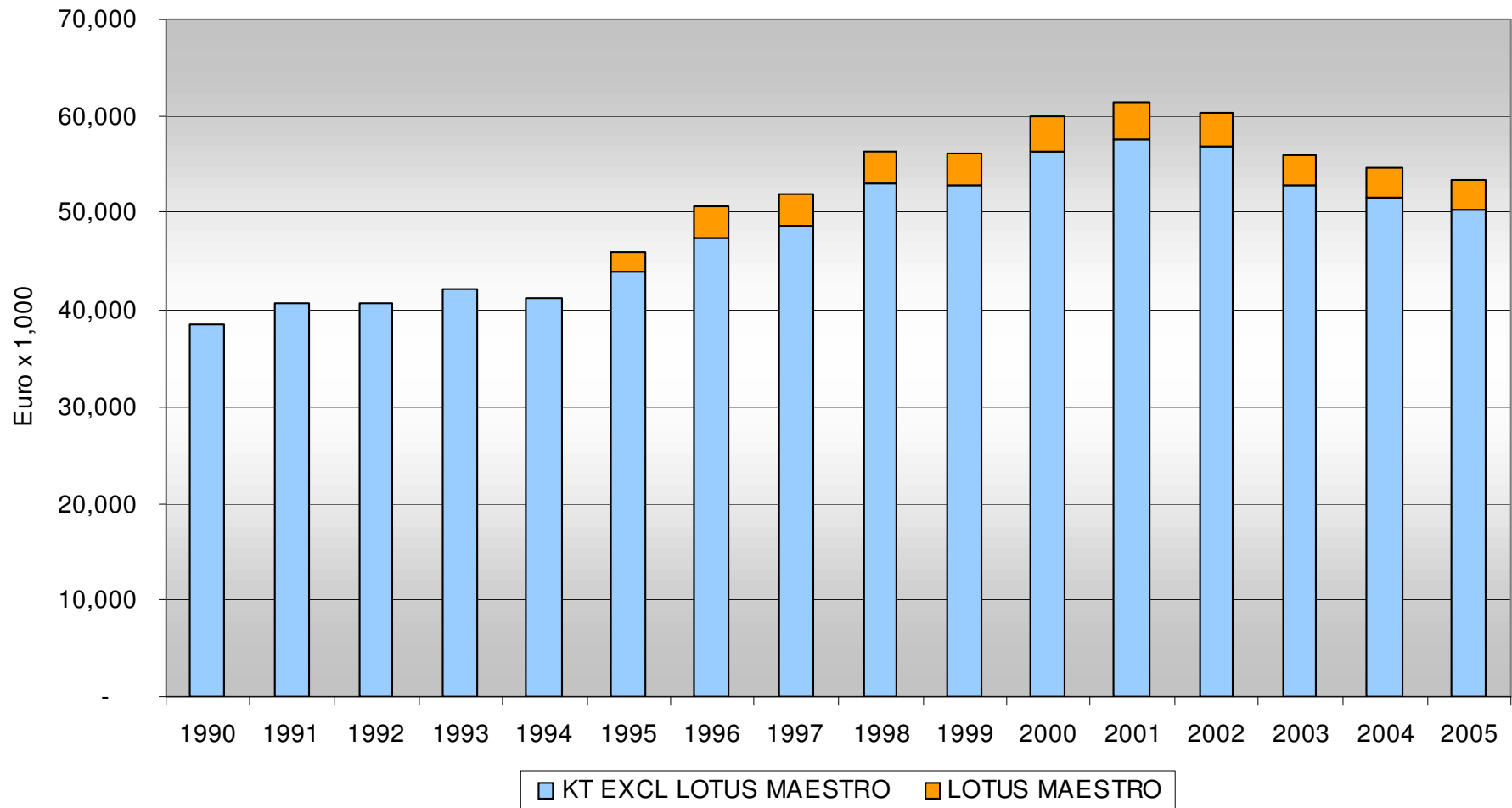


Product Description

- *Brand Name:* Lotus Maestro
- *SKU:* 2-roll
- *Price:* €1.99
- *Price Regular KT 2-roll:* €1.49 - €1.69
- *Product specification:* Non-woven Airlaid
- *Product characteristics:* High wet-strength
(Use - Rinse - Re-use)

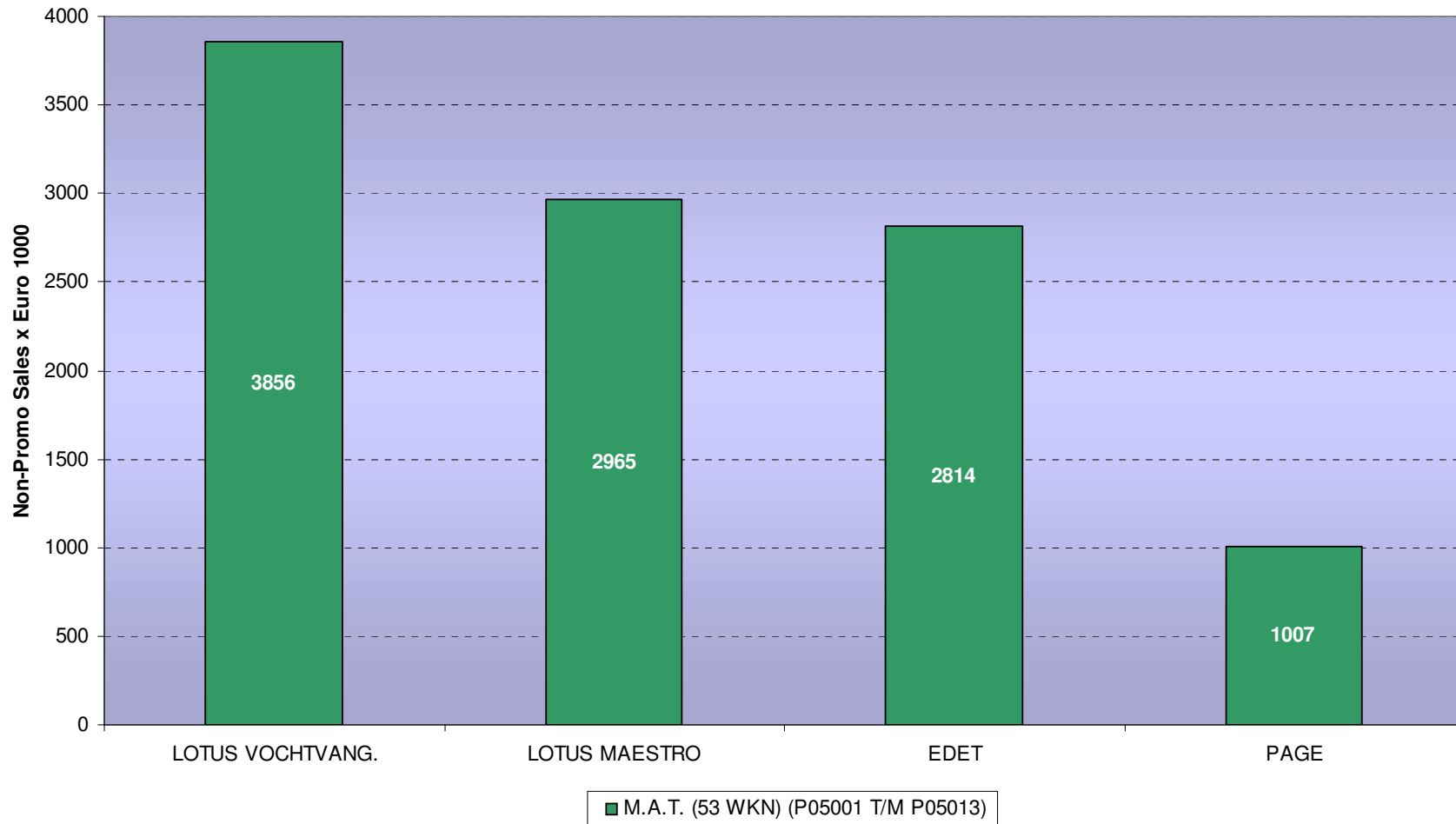


Category Value of Kitchen Towels in NL



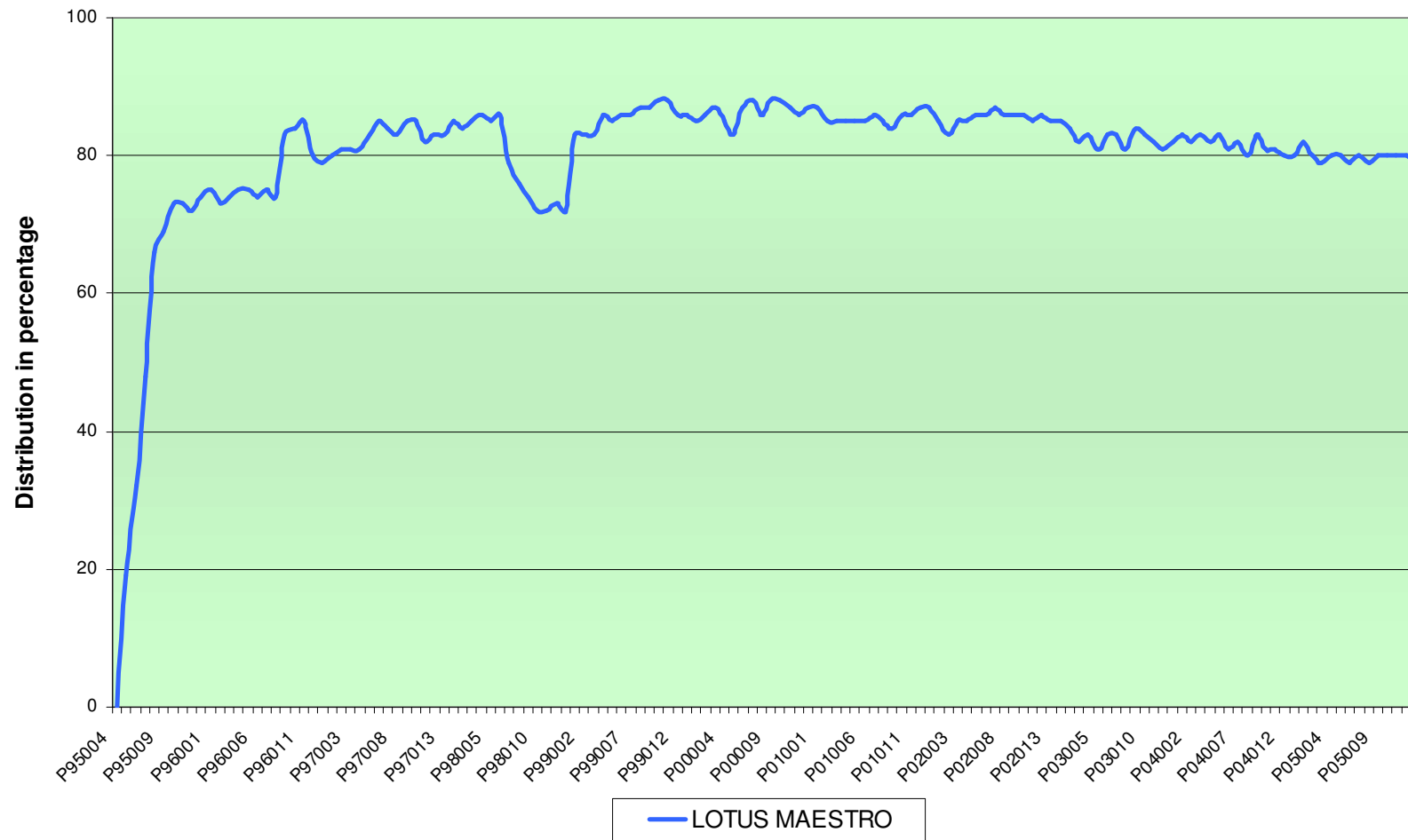
Maestro has swiftly developed a stable, additional value to the market

Non-Promo Sales of Kitchen Towels in NL



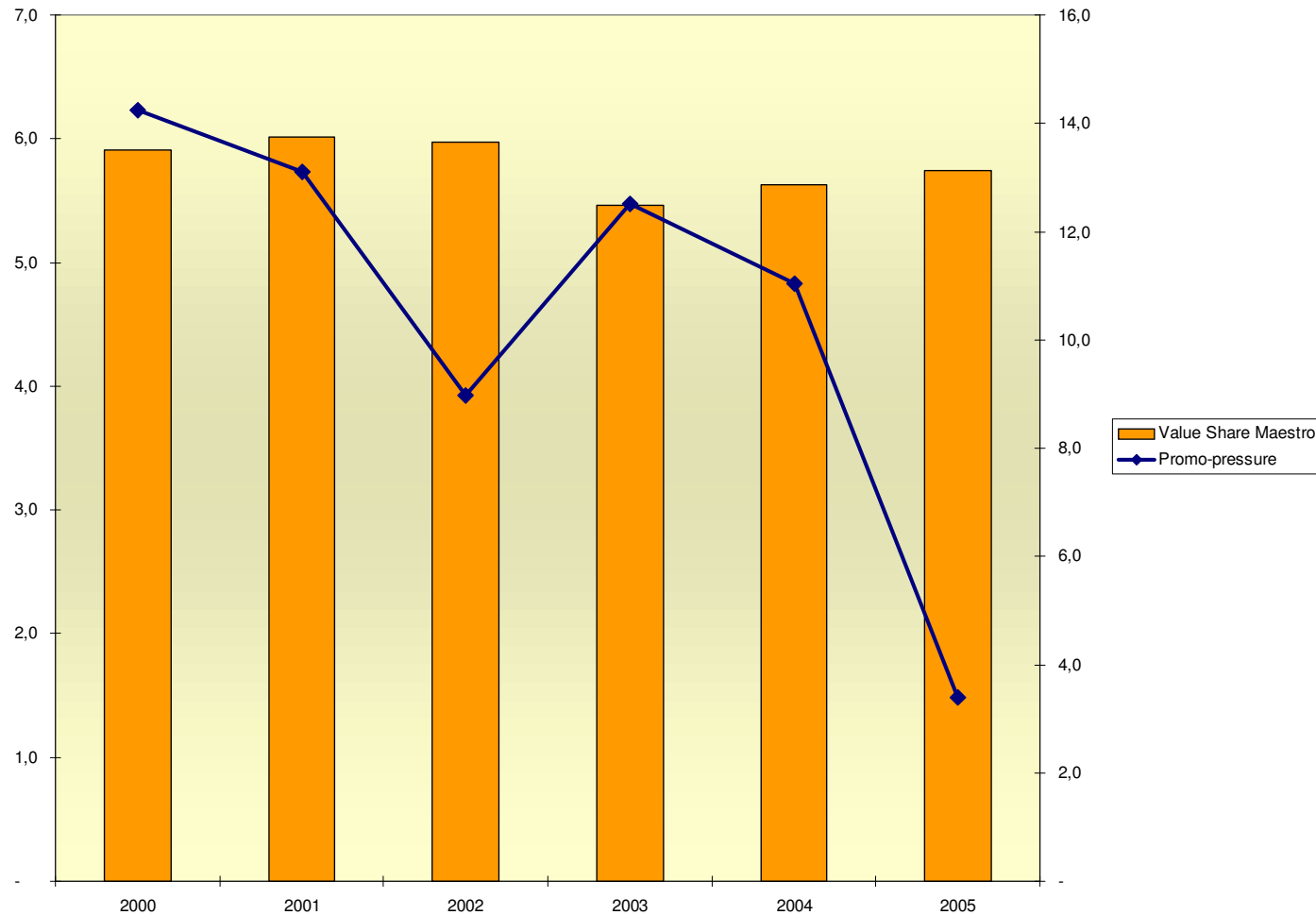
Maestro is the second SKU within the category in non-promo sales

Weighted Distribution of Lotus Maestro in NL



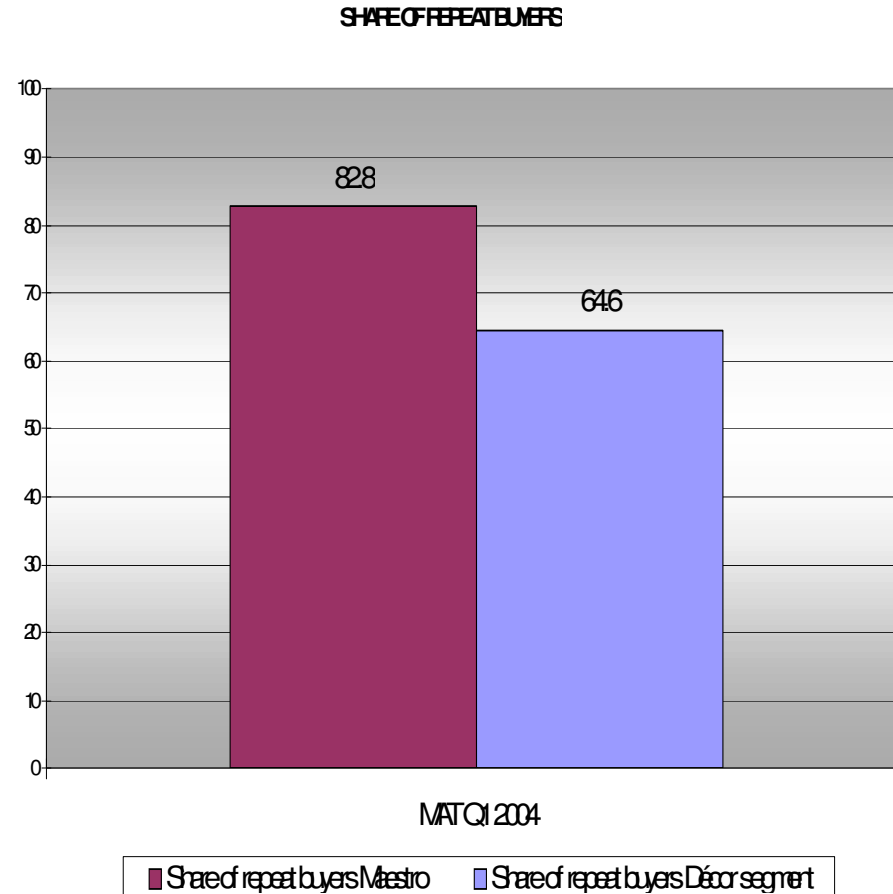
Maestro has quickly generated 80-90% distribution, stable for many years.

Value Share and Promo-Pressure of Lotus Maestro



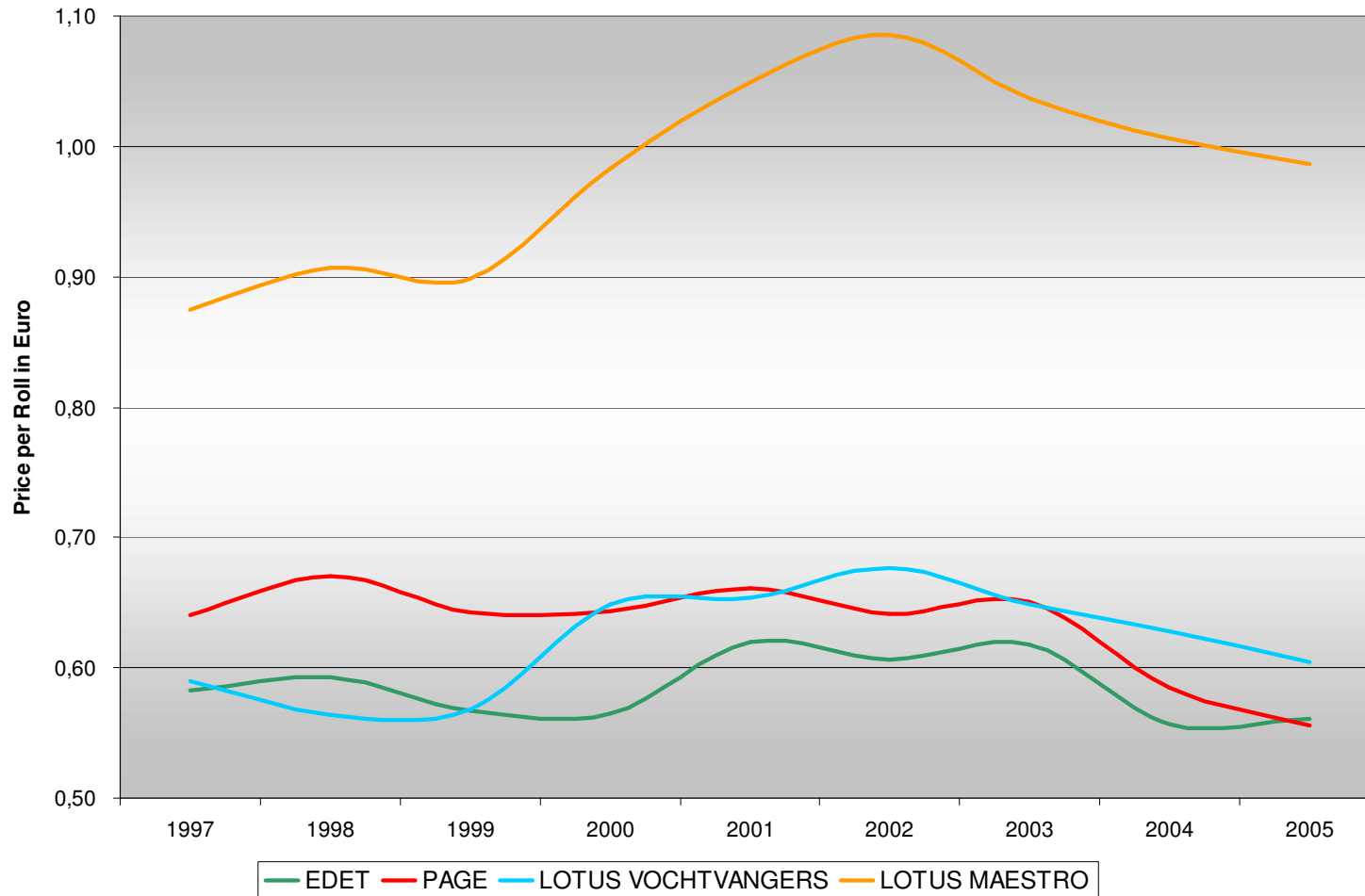
Maestro's value share is not depended on price-off promotions

Repeat Purchases of Lotus Maestro Buyers



Lotus Maestro enjoys a high repeat purchase rate.

Price Development versus other A-brands



Mainstream KT in 2005 back at 1997 price level due to pricewar
Lotus Maestro shows less decrease.

Conclusion

- Within two years after its introduction, Maestro has generated 80% distribution, thereby creating a value added segment of 6-7% of the Dutch market in value.
- Although the market for kitchen towels has been declining in value since 2001, Maestro's market value has been stable.
- Maestro buyers are very loyal: while promotion pressure has always been low, a additional decline to 4% has not resulted in a decline of value share.
- In a market of price conscious consumers Maestro has been able to maintain its premium price.
- Loyalty among Maestro consumers is high: repeat buyers generate more than 80% of total Maestro sales