India Market and Consumer Insights

April 2016
Personal Field Research
Analytics Methodology/Sources

1000 Online Survey Respondents
Nationally Representative

52% Males
48% Females
Ages 18-64

March 2016

Aware and Unaware of Stevia

A & B Groups SEC

Socio-economic Classification (SEC) includes No. of Durables and Education level. A&B include 4+ durables and High School education.
Global alignment for change
Demand for Natural Increasing
A New Opportunity to Redefine Regular
Expect Rapid Growth in Stevia Awareness
Insights to Action

Global alignment for change
Highly Dynamic Times for the Food & Beverage Industry

**RISING PUBLIC HEALTH CONCERNS**
- Global obesity crisis
- Sugar tax (passed/proposed)
- Activist advocacy groups

**CONSUMERS REDEFINE HEALTH & WELL BEING**
- Good for me
- Good for others
- Good for the planet

**SWEETENERS UNDER FIRE**
- Sugar
- Artificial Sweeteners

*Is Sugar Toxic?*

Four reasons why sugar tax needs to be imposed in India, too

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proposed new label highlighting calories and added sugars

The New York Times Magazine

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×

The New Express
Is Sugar Toxic?

Four reasons why sugar tax needs to be imposed in India, too

a new sugar tax could help curtail the deadly disease of obesity in this tax haven. why we didn't think we'd be able to tax sugar, have never put a tax.
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© PureCircle Limited 2015
Global companies made impressive commitments in 2015

“Removing artificial ingredients”
“Reducing sugar”
India is having conversations on the health effects of sugar and high-intensity sweeteners.
Indian consumers are looking to cut back on their consumption of sugar & artificial sweeteners

Those Actively Looking to Limit/Avoid Consumption of Sweeteners

<table>
<thead>
<tr>
<th>Sweetener</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>85%</td>
</tr>
<tr>
<td>Artificial Sweeteners</td>
<td>78%</td>
</tr>
</tbody>
</table>

Source: PureCircle Proprietary Research, India 2016

Do you actively try to limit the amount of sugar/artificial sweeteners in the foods and beverages that you consume each day?
For parents, this concern is pronounced for their kids

Over 80% of Parents are concerned about the sweeteners their kids consume

Looking to Limit/Avoid Kids’ Consumption of Sweeteners

- Sugar: 80%
- Artificial Sweeteners: 78%

Parent’s preference on level of sugar in food/beverage products for kids (among households with kids)

- With more sugar: 7%
- With same sugar levels as they currently have: 47%
- With less sugar: 44%
- Without sugar at all: 2%

Almost 50% of parents prefer less sugar in their kids’ diets

Source: PureCircle Proprietary Research, India 2016

When thinking about food and beverage products for the children in your household aged 0-17 years, how would you prefer them in terms of their sugar levels?
Online conversation for aspartame and sugar

**Aspartame**
- Net Sentiment: -64
- Total Mentions: 1,898,500
- Potential Impressions: 3.5 billion

**Pollution**
- Net Sentiment: -67
- Total Mentions: 1,143,000
- Potential Impressions: 4 billion

**Sugar**
- Net Sentiment: +25
- Total Mentions: 2,040
- Potential Impressions: 1.3 million

Source: NetBase, January – December 2015

Sentiment Calculation: \( \frac{(\text{Positives} - \text{Negatives})}{(\text{Positives} + \text{Negatives})} \times 100 \)
This shift towards natural origin products is happening in the sweetener space.

20% of new products sweetened with a high-intensity sweetener use stevia.

Global % of New Product Introductions with High-Profile Sweetness

Source: Mintel GNDP
Insights to Action

Demand for Natural Increasing
The global consumer wants natural food & beverages

Global Top-5 Rated F&B Messages

All Natural
Naturally Sweetened
No Artificial Sweeteners
Sweetness from Nature
Same Great Taste

How appealing is each of the following statements that might be used to describe food and beverages?
Source: PureCircle Internal Research
Source: PureCircle Proprietary Research
Indian consumers seek all-natural in F&B communication and messaging

<table>
<thead>
<tr>
<th>Natural/Origin</th>
<th>Taste</th>
<th>Safety</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% natural</td>
<td>New improved taste</td>
<td>Safe for everyone</td>
<td>Environmentally friendly</td>
</tr>
<tr>
<td>All natural</td>
<td>Same great taste</td>
<td>Safe for diabetics</td>
<td>Low environmental impact</td>
</tr>
<tr>
<td>Sweetness from nature</td>
<td></td>
<td>Safe for kids</td>
<td></td>
</tr>
<tr>
<td>Sweetness from a natural origin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No artificial sweeteners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naturally sweetened</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low/ No/ Reduced Sugar &amp; Calories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calorie free</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar free</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low sugar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low calorie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zero calories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced calories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No added sugar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced sugar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced sugar and calories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No sugar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GMO (genetically modified)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low glycemic index</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid calorie</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How appealing is each of the following statements that might be used to describe foods and beverages?
A New Opportunity to Redefine Regular
Sweet and sweetener live in two different places

Aligned with the world of sweet

**Sweet**
- Full flavor
- As nature intended
- The real deal
- Indulgence
- Abundance
- Social
- Treat
- Happy

**Sweetener**
- Zero calories
- Science
- Not as good
- Compromise
- Deprivation
- Solitary
- Sacrifice
- Somber

©PURECIRCLE LIMITED 2015
India is just starting its journey, and its sentiment is promising.

**Impressions**

<table>
<thead>
<tr>
<th>Sweetener</th>
<th>Very Positive, Positive</th>
<th>Neutral</th>
<th>Very Negative, Negative</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honey</td>
<td>92%</td>
<td>6%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Saccharin</td>
<td>30%</td>
<td>27%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Aspartame</td>
<td>33%</td>
<td>23%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>High Fuctose Corn Syrup</td>
<td>38%</td>
<td>31%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Sucralose</td>
<td>45%</td>
<td>30%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Stevia</td>
<td>83%</td>
<td>13%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Gur</td>
<td>82%</td>
<td>13%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Glucose</td>
<td>73%</td>
<td>19%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Agave</td>
<td>67%</td>
<td>18%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Brown Sugar</td>
<td>61%</td>
<td>22%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Ace-K</td>
<td>58%</td>
<td>19%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>53%</td>
<td>25%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

Source: PureCircle Proprietary Research, India 2016

What is your overall impression of stevia?
Nearly 50% of all launches have combined stevia with sugar

Global Food & Beverage Product Launches With Stevia

Source: Mintel GNDP
India is just starting its journey, and its sentiment is promising

<table>
<thead>
<tr>
<th>Country</th>
<th>Sentiment (%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>97%</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>96%</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>96%</td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>91%</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>74%</td>
<td></td>
</tr>
</tbody>
</table>

- **Very Positive, Positive**
- **Neutral**
How does stevia compare to ....

Source: NetBase, January – December 2015

Sentiment Calculation: \( \frac{(\text{Positives} - \text{Negatives})}{(\text{Positives} + \text{Negatives})} \times 100 \)

Net Sentiment: +68

Emotions

- Positive: 83.96%
- Negative: 16.04%
- Total Mentions: 1,596
- Potential Impressions: 29 million

Source: PureCircle Limited 2015
Stevia exceeds alternative sweeteners across key attributes, including Great Tasting

- Stevia outperforms all sweeteners in all attributes
- Good for a Healthy Lifestyle and Natural are key stevia attributes

Sweeteners Attribute Agreement 2016
Top-2 Box

Source: PureCircle Proprietary Research, India 2016

How much would you agree or disagree that (insert sweetener/brand) is?

- Natural
  - Aspartame: 31%
  - Sucralose: 42%
  - Sugar: 54%
  - Stevia: 85%

- Good for a healthy lifestyle
  - Aspartame: 40%
  - Sucralose: 51%
  - Sugar: 47%
  - Stevia: 88%

- Great Tasting
  - Aspartame: 35%
  - Sucralose: 53%
  - Sugar: 69%
  - Stevia: 74%
4 out of 5 consumers would purchase stevia across all categories

Would Consider Purchasing

**FOOD**
Top-2 Box
80%
Indian consumers would purchase food sweetened with stevia

**BEVERAGE**
Top-2 Box
80%
Indian consumers would purchase a beverage sweetened with stevia

**TABLE TOP**
Top-2 Box
79%
Indian consumers would purchase table top if it were stevia

Willingness to Pay

64%
Are willing to pay more for a food and beverage product sweetened with stevia

Source: PureCircle Proprietary Research, India 2016

... how likely would you be to buy foods that contain stevia?  How would your willingness to pay change for a food or beverage product sweetened with stevia?
Given parent’s dislike towards artificial sweeteners, purchase intent remains similar for parents giving stevia products to their kids.

Parents Who Would Give Artificial Sweeteners to Their Kids

- **64%** Adults who would **not** give their kids products with artificial sweeteners in them

Parents Would Consider Purchasing for their Kids

- **FOOD**
  - Top-2 Box
  - 78%

- **BEVERAGE**
  - Top-2 Box
  - 77%

- **TABLE TOP**
  - Top-2 Box
  - 76%

Indian consumers would purchase food / beverages / table top sweetened with stevia for their kids.
Many approaches to redefining regular

### Stevia PureCircle Benefit Ladder

#### Emotional Benefits
- Joy
- Good Life
- Peace of Mind

#### Consumer Benefits
- Permissible Pleasure
- Living a healthier lifestyle
- Making the world a better place
- Making high quality choices

#### Product Benefits
- Great taste
- Calorie/sugar reduction
- Environmentally friendly
- Transparently Sourced
- Naturally sweetened
- Safe for Diabetics
- Farmer Friendly

#### Attributes
- Sweetness like sugar
- From a plant
- Low Carbon & water footprint
- Benefits Independent Farmers
- PureCircle Trust mark
- No calories
- Zero Glycemic Load
- Toothfriendly
- Traceability
Insights to Action

Expect Rapid Growth in Awareness
Consumers are just starting to learn about stevia as a tool to reduce sugar and awareness is similar to recently approved countries.

**Stevia India Awareness**

- Sugar: 95%
- Honey: 91%
- Glucose: 86%
- Brown Sugar: 64%
- Fructose: 57%
- Gur: 52%
- Saccharin: 41%
- High Fructose Corn Syrup: 40%
- Sucralose: 37%
- Meethi Tulsi (Stevia): 35%
- Aspartame: 18%
- Agave: 9%
- Acesulfame-K: 6%

**Stevia Global Awareness**

- Chile: 95% (Sept 2014)
- Argentina: 95% (Sept 2014)
- US: 68% (August 2015)
- France: 64% (Feb 2013)
- Germany: 57% (Nov 2013)
- Brazil: 55% (Nov 2015)
- Sweden: 51% (May 2014)
- UK: 51% (July 2015)
- Spain: 48% (Feb 2015)
- China: 43% (Feb 2013)
- Malaysia: 36% (Sept 2014)
- India: 35% (Mar 2016)
- Thailand: 33% (Sept 2014)
- Russia: 27% (May 2014)
- Italy: 26% (July 2013)
- Poland: 23% (July 2013)
- Mexico: 21% (Feb 2013)
- Singapore: 12% (Sept 2014)

Source: PureCircle Proprietary Research, India 2016
Since approval, online consumer interest in stevia has grown in India and outpaced other HIS online searches.

Among sweeteners below, stevia searches have increased by +21 pts from October ‘15 to April ‘16.

India Percent of Searches Among Selected Ingredients: Aspartame, Stevia, Saccharin, & Sucralose

Google Trends: Past 6 Months

Source: Google Trends, 2016

Note: Google Trends figures are indices that show total searches for a term relative to the total number of searches done on Google over time. A line trending downward means that a search term’s relative popularity is decreasing (i.e., not total number of searches).
Awareness increases significantly alongside product launches after approval.

### US Stevia Awareness
177Idx vs. ‘09

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35%</td>
<td>43%</td>
<td>62%</td>
</tr>
</tbody>
</table>

### France Stevia Awareness
278Idx vs. ‘09

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23%</td>
<td>47%</td>
<td>64%</td>
</tr>
</tbody>
</table>

### US F&B Stevia Launches
325Idx vs. ‘09

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48</td>
<td>110</td>
<td>156</td>
</tr>
</tbody>
</table>

### France F&B Stevia Launches
373Idx vs. ‘10

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15</td>
<td>12</td>
<td>56</td>
</tr>
</tbody>
</table>

Sources: PureCircle Proprietary Research '15 US Survey n=856, France Survey '13 n=...
Stevia usage is growing across all major markets

**Global New-Product Launches with Stevia, 2015**

43% growth globally over past 5 years

- **Europe**: +91%
- **NTAM**: +37%
- **LATAM**: +58%
- **APAC**: +30%
- **MEA**: +95%

Source: Mintel GNDP
Top Categories at the Region Level are Dairy, Sweeteners, Juice Drinks, RTDs, Bakery, and Sweeteners

Global Food & Beverage Product Launches With Stevia

By Region: 2015 Top-3 Categories by Number of Product Launches

2015 Top-10 Global Categories by Growth (2015 vs. 2014)

- RTDs: 72%
- Bakery: 38%
- Other Beverages: 32%
- Carbonated Soft Drinks: 32%
- Sweeteners & Sugar: 20%
- Dairy: 10%
- Juice Drinks: 4%
- Hot Beverages: 1%
- Snacks: -13%

Source: Mintel GNDP

Other beverages includes Beverage Concentrates, Beverage Mixes, Meal Replacements & Other Drinks
It doesn’t take long before categories multiply in number of stevia launches.

Stevia’s geographic and category penetration have grown rapidly over the past 5 years. 5 billion customers worldwide now have regulatory access to stevia.

<table>
<thead>
<tr>
<th>Year</th>
<th>CSDs - Colas</th>
<th>CSDs - Lemon / Lime</th>
<th>RTD Teas</th>
<th>Yogurt (spoonable / drinkable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4 products</td>
<td>1 product</td>
<td>19 products</td>
<td>19 products</td>
</tr>
<tr>
<td></td>
<td>3 countries</td>
<td>1 country</td>
<td>4 countries</td>
<td>3 countries</td>
</tr>
<tr>
<td>2015</td>
<td>86 products</td>
<td>25 products</td>
<td>392 products</td>
<td>420 products</td>
</tr>
<tr>
<td></td>
<td>27 countries</td>
<td>14 countries</td>
<td>43 countries</td>
<td>32 countries</td>
</tr>
</tbody>
</table>
Where will India be in 5 years?