Hawai'i
&
Healthy Choice

HEALTHY CHOICE

ConAgra Foods®

AGENDA

- Health & Wellness
  - Trends
  - Who are they
- Healthy Choice
  - History of Brand
  - Healthy Choice Consumer
- Health Choice & Hawai'i
  - Why

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It appears that America's attitudes about health are once again at a turning point!

The question is: "How will we define health today?"

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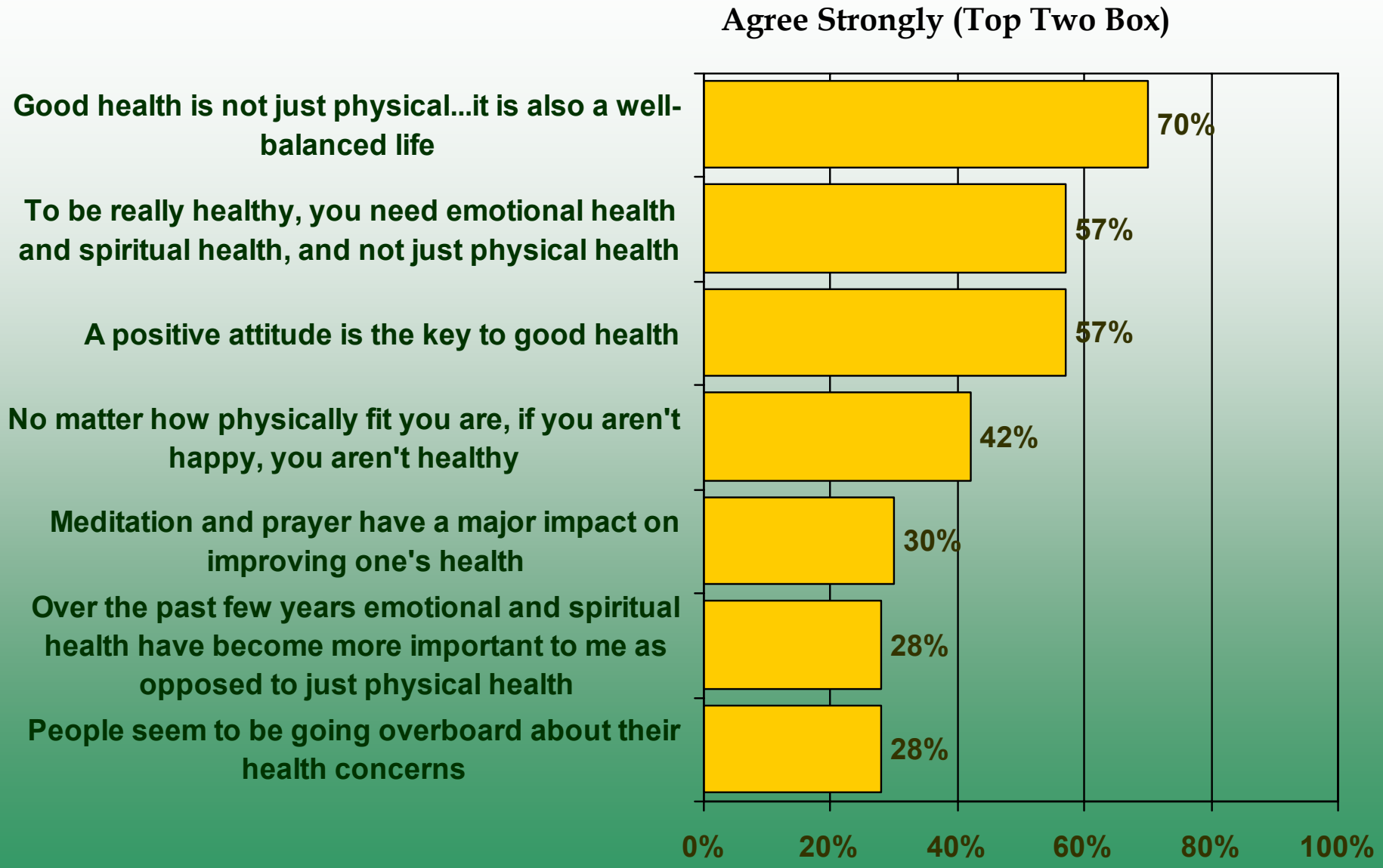
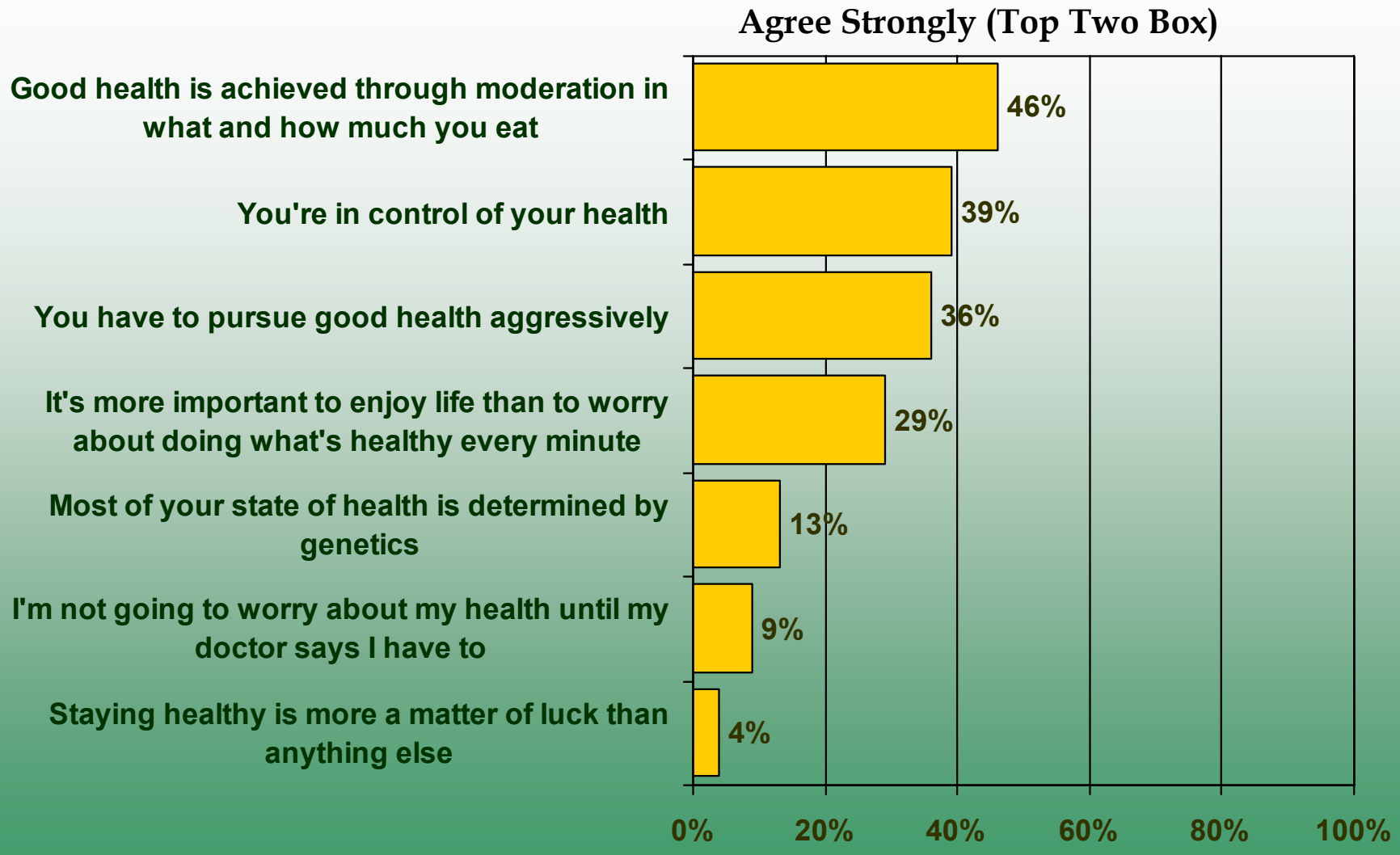
So what defines “health” or being healthy today?

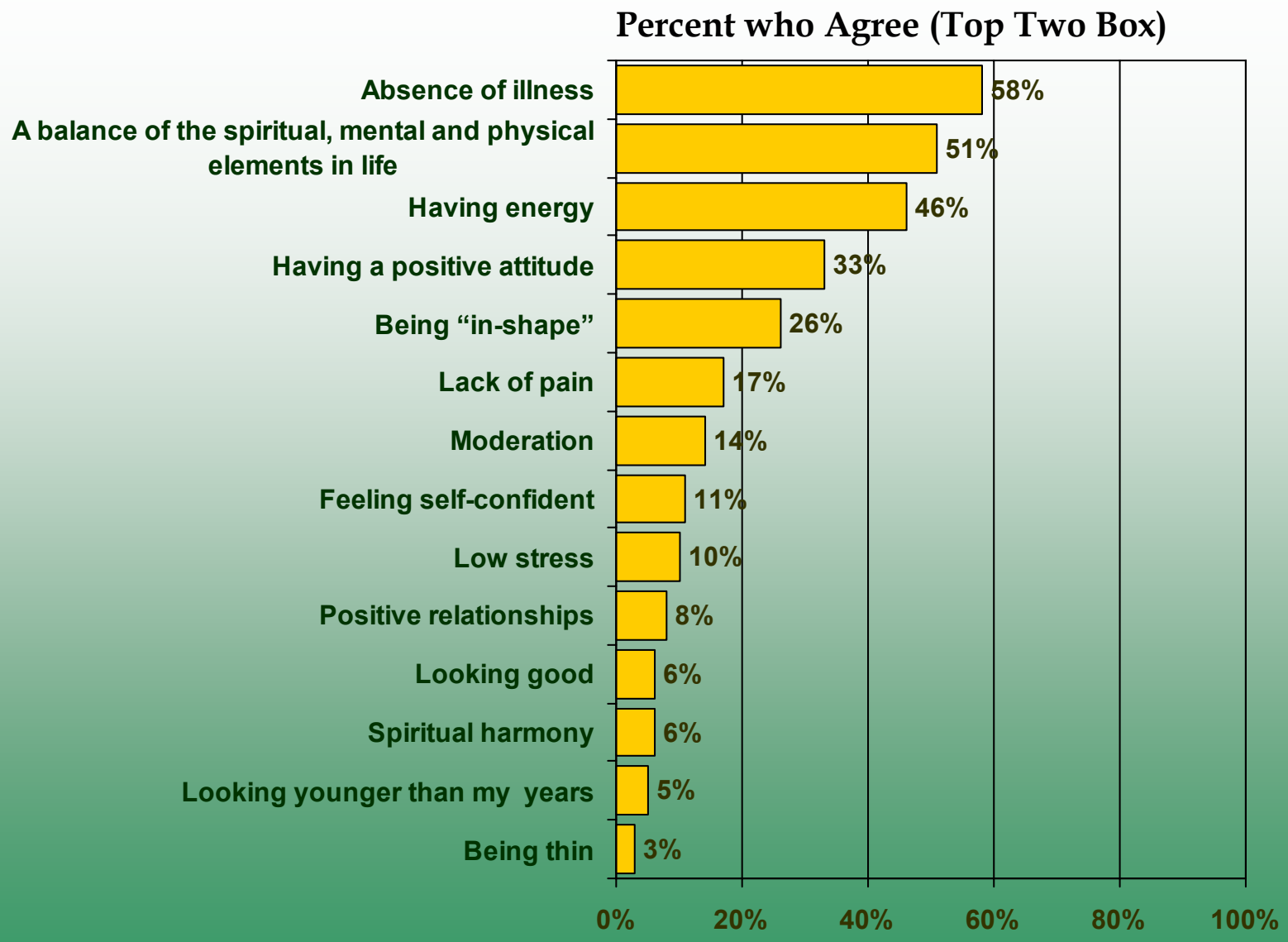
What Constitutes "Healthy": Notions of Balance/Attitude



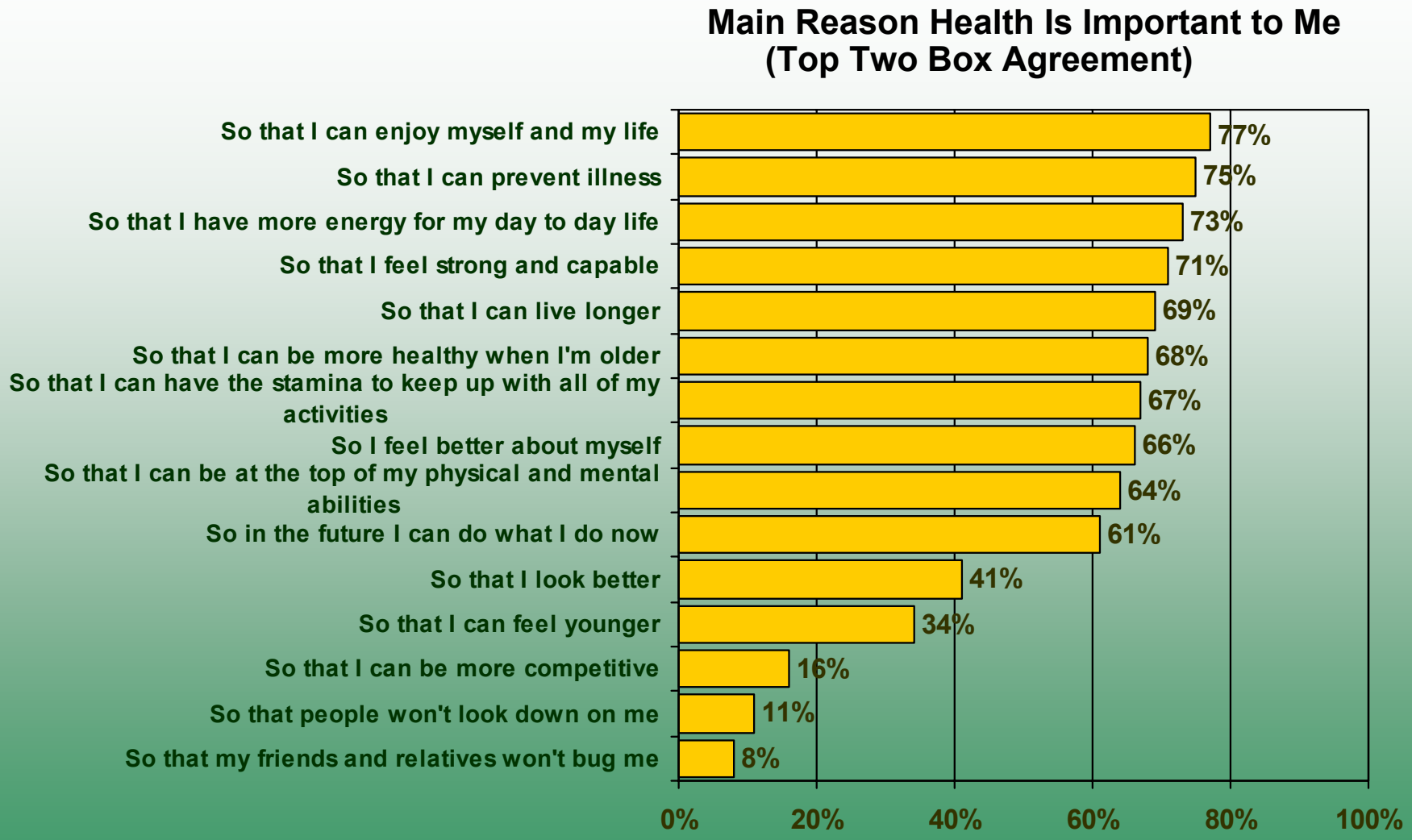
What Constitutes "Healthy": Luck or Drive?



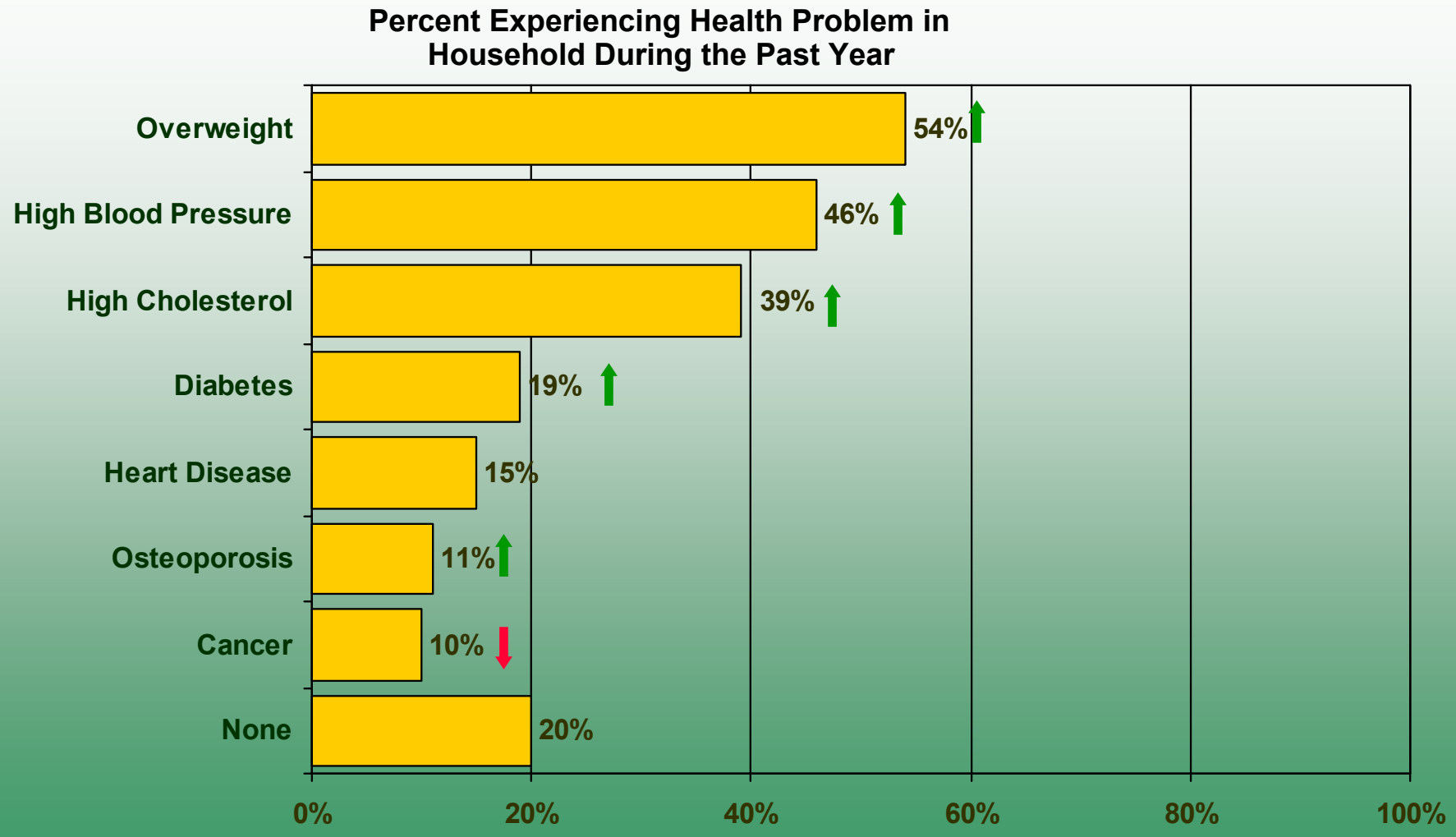
Current Definitions of "Healthy"



Why is Health Important?



Health Status



Overarching Trend Summary

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Key Market Shifts

- Reactive to Proactive

  Speak to a sense of control rooted in choice and satisfaction, rather than restraint and deprivation

- Solutions vs. problems and needs

  Flexibility vs. stiffness
  Refreshment vs. thirst
  Strength vs. tiredness

- Choices not Compromises

  Luxury and affordable
  Natural and convenient
  Fresh and fast

- Disease Prevention vs. Wellness

  Pursuit of Health is more Holistic
  Physical; Emotional, Spiritual and Mental
  Balance is key in your Diet but also in Life Overall

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- **Historical learnings identify five overarching consumer needs in the arena of Health & Wellness**

1. **Manage / Fight Disease (e.g., heart disease, diabetes)**
2. **Lose / Manage Weight (dieting, maintenance; e.g., Atkins, Zone, Weight Watchers)**
3. **Social / Environmental Conscience (e.g., natural, organic)**
4. **Energy (hard to define, but necessary to keep up with pace of life today)**
5. **Well Being (things you do to "take care of self" not in one of the specific buckets above)**

   …Boomers wanting to feel younger, live longer

   …Avoiding bad, adding in good

   …Taking supplements for general well being

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CONSUMER NEEDS REVIEW / HEALTH & WELLNESS NEEDS

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- **While these general needs don't change dramatically over time, the solutions evolve based on media & scientific learnings, as well as new product development.**

	FROM…	TO
Manage / Fight Disease	CHD (Sodium)	Osteoporosis, Diabetes, CHD, Cancer
Lose / Manage Weight	Low Fat Low Calories Weight Watchers	Low Carb Low Sugar Right Carb Atkins
Social / Environmental	Vegetarian	Organic Natural Vegetarian
Energy	N/A	Protein Low Sugar
Well Being	Absence of Negatives (e.g., fat, calories, sodium)	Presence of Positives (e.g., calcium, vitamins, minerals, etc.) Prebiotics / Probiotics

Consumer Segmentation

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There Is A Spectrum Of Health Orientation

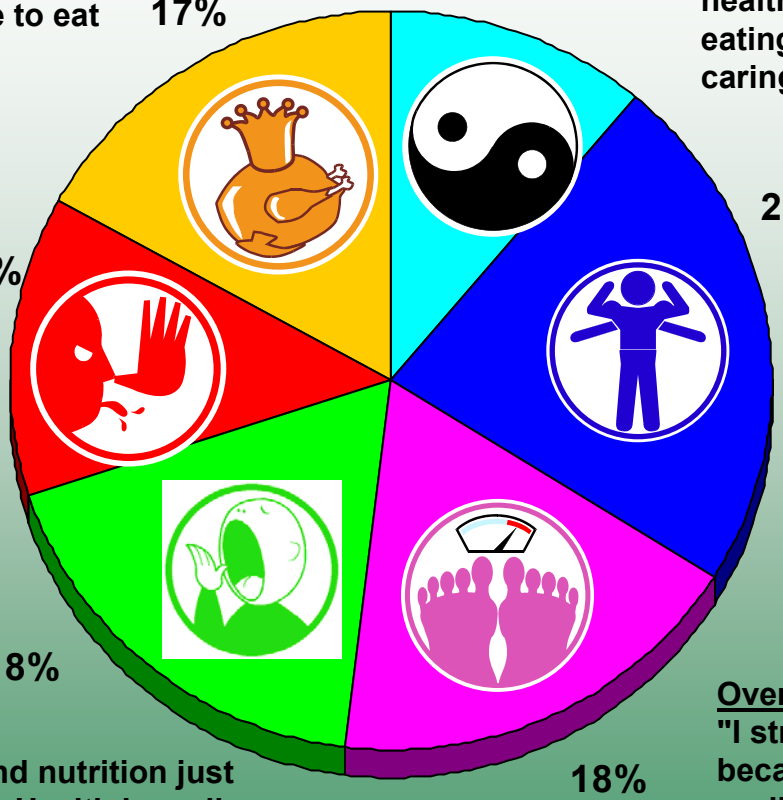
Health Unconcerned	Healthier Intentions	Health-Driven
– No health consideration when choosing food – Do not sacrifice taste – Unwilling to pay more for healthy foods	– Want to eat healthier, but choose taste over health sometimes – Depending on the specific health related conditions may pay more for healthy foods	– Actively choose healthy foods for health/diet – May sacrifice taste for health but only to a degree – Willing to pay more for healthy foods

Six Key Segments in Population

Food is King
"I love food - and I never worry about whether what I love to eat is 'good' or 'bad' for me"

Mind, Body & Soul
"I have achieved the essential holistic balance of mental, physical and spiritual health by planning a healthy lifestyle of eating well, exercising regularly and caring for my spiritual health"

Old School Skeptics
"As long as I maintain my weight and I am not ill I am in good health - all that rubbish about spiritual and emotional health is for the birds."



Fit Moderates
"Health is about staying fit through a regular exercise routine such as walking and keeping up-to-date on health trends"

Health? Ho-Hum
"Thinking about health and nutrition just doesn't interest me at all. Health is really more about luck than anything else anyway - I just do the minimum just to keep other people happy"

Overweight Excuse-Makers
"I struggle with my weight constantly because I don't have the time, energy or discipline to exercise or eat healthy"

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Overview Health Segments

Mind, Body & Soul 11%	Fit Moderates 23%	Overweight Excuse-Makers 18%	Old School Skeptics (13%)	Health? Ho Hum 18%	Food is King (17%)
Overall perspective on being healthy.					
Sense of control & confidence over health & well-being. Emotional & spiritual health/balance are important. Health is important to do more things & enjoy life	Positive attitude, and feel that balance in life is important for health. Health is important to enjoy life and to look and FEEL better.	Feel health is important, but have no sense of control/confidence over their health. Struggle with weight issues. Health is important to do more things in life, and to LOOK better.	Focus is on enjoying life and don't want to worry about health. Health is important to enjoy life and PREVENT ILLNESS.	Health is all about luck. Not interested. Health is mainly important because of what others think.	Health is all about moderation and genetics. Health is important to enjoy life and PREVENT ILLNESS
Overall perspective on healthy eating.					
Carefully watch what eat to achieve a healthy diet.	Carefully watch what eat to achieve a healthy diet.	Constantly trying to diet, but failing, and feel guilty.	Healthy eating means eating all food groups.	Don't bother with balanced eating; don't believe in diets	Don't worry about it – just enjoy food.
How knowledgeable they consider themselves to be about nutrition & healthy eating.					
Very	Very	Not	Moderate	Not	Moderate
Fitness & Exercise					
Very	Very	Full of excuses as to why not.	Not very and don't care.	Not very and don't care.	Not very, but would like to be more fit.

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History of Healthy Choice

1985

- In 1985, ConAgra Foods Chief Executive Officer Charles M. (Mike) Harper turned a bad situation into a brilliant idea. After suffering a mild heart attack, this lover of hot fudge sundaes began to seriously consider his health. In visiting the supermarkets, he had g trouble finding food that his doctor would let him eat. His wife made some low fat, low salt chili and he knew it was possible to make a "healthy" meal. He then asked the VP of corporate marketing to develop a "healthy" line of frozen meals.

- There wasn't a USDA definition for "Healthy", "low fat", "low sodium", or "low cholesterol". The original R&D team spent a lot of time negotiating with the USDA to set these "Healthy" standards.

1988

- . First line of HC products consisting of 10 frozen meals

2003

- Nearly 15 years later Healthy Choice offers more than 200 products that expand to a variety of food categories including frozen entrees, deli meats, breads, pastas, soups and ice creams

Evolution of the Brand

Healthy Choice Line of Business	Launch Date
Healthy Choice Frozen Meals	1988
Healthy Choice Soup	1990
Healthy Choice Ice Cream	1991
Healthy Choice Lunchmeat	1991
Healthy Choice Pasta Sauce	1991
Healthy Choice Deli Meat	1992
Healthy Choice Popcorn	1995
Healthy Choice Bread	1996
Healthy Choice Novelties	2002

Healthy Choice Reaches Across Total Store

Healthy Choice is a billion dollar power brand that penetrates the customer from center of the store to the perimeter

- 9 Categories across the store
- 51% HH Penetration
- 52% buy 2+ categories

Source: IRI 52 wks ending 06.13.04
Specific Retail Data
Source: InfoScan Panel Data, 52 wks ending 06.13.04

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Total Healthy Choice Category Consumption

- **Total Healthy Choice Category Consumption skews to Upscale Suburbs, Mid/Upscale Suburbs and Metro Elite households (Indices 120+). Secondary skews exist with Traditional Families, households Age 18-54 without kids and households Age 55-64 (Indices 110-119).**

0001 TOTAL HEALTHY SS DINNERS CATEGORY	Spectra Lifestage						
Data Source: Healthy Choice Frozen IRI Data	Age 18-34		Age 35-54		Age 55-64	Age 65+	Total
Spectra Lifestyle	w/Kids	no Kids	w/Kids	no Kids	All	All	Index
Upscale Suburbs	80	168	120	140	161	127	132
Traditional Families	62	134	101	136	146	89	111
Mid/Upscale Suburbs	61	162	99	138	130	135	125
Metro Elite	90	149	134	141	142	146	138
Working Class Towns	72	92	105	111	108	73	94
Rural Towns and Farms	47	81	65	85	86	95	77
Mid Urban Melting Pot	78	104	80	111	100	128	102
Downscale Rural	24	52	38	58	71	69	54
Downscale Urban	36	77	76	90	78	72	73
Total	57	113	91	115	116	101	100

Source: Spectra Data

Healthy Choice Valued Consumer

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Total Consumption Index

	Adults	Families	Seniors	Total
More Affluent	119	97	131	116
Less Affluent	96	64	101	87
Total	107	78	114	100

Healthy Choice has 95% brand awareness among US Households & 51% of US Households purchase Healthy Choice branded products

Demographics

- Mature: 82.2% are 35+
- Empty Nesters: 2+ households
  - 61% have no children living at home
- More Affluent: Avg HH income is $50,000
  - 71.2% own their own home
- Educated: 50% attended or graduated college

Interests

- Commuters
- Read business/finance magazines
- Listen to talk/news radio
- Own a SUV
- Own a home computer
- Walk for exercise
- Attend cultural performances
- Live an active lifestyle

[1] Source: Milllward Brown Equity Tracking Study, 03.04
[2] Source: IRI Panel Data, 52 wks ending 05.23.03
[3] Source: Spectra, 2003

Healthy Choice Consumer & Leisure Activities

Enjoys:

- Live Theater
- Museums
- Surfing the Net
- Music Performances
- Going to the Beach
- Photography
- Reading Books
- Dining Out

Does Not Enjoy:

- Woodworking
- Video Games
- Collecting Sports Trading Cards
- Collecting Figurines
- Collecting Coins
- Playing Bingo

Healthy Choice Consumer & Sports

Enjoys:

- **Snorkeling**
- **Golf**
- **Downhill Skiing**
- **Tennis**
- **Weight Lifting**
- **Bicycling-Mountain**
- **Backpacking/Hiking**
- **Jogging/Running**

Does Not Enjoy:

- **Archery**
- **Hunting with a Rifle**
- **Hunting with Handgun**
- **Roller Skating (not Roller Blading)**

Healthy Choice Consumer & Magazines

Enjoys:

- Bon Appetit
- Forbes
- Golf Digest
- National Geographic
- Travel & Leisure
- Food & Wine
- Time
- Martha Stewart Living
- GQ (Gentlemens Quarterly)
- Conde Nast Traveler

Does Not Enjoy:

- Soap Opera Digest
- Essence
- 4 Wheel & Off Road
- Bassmaster
- Child
- American Baby
- WWF Magazine
- American Hunter

Healthy Choice Consumer & Cable

Enjoys:

- CNBC
- MSNBC
- Food Network
- History Channel
- CNN
- E!
- American Movie Classic
- A&E

Does Not Enjoy:

- TBS
- ck at Night
- me Show Network
- T
- Cartoon Network
- Nickelodeon
- CMT (Country Music Television)

Healthy Choice Consumer & Department Stores

Enjoys:

- Lord & Taylor
- Nordstrom
- Bloomingdales
- ANN TAYLOR
- Macys
- Banana Republic
- Marshalls
- Eddie Bauer EST. 1920
- TARGET

Healthy Choice Consumer & Buying Styles

Buying Styles of the Healthy Choice Consumer:

- If they want something it will be purchased on credit
- They check the ingredients/nutrition before they buy
- They buy based on quality not price
- Their kids do not have a significant impact on the brands they choose
- They prefer products that offer the latest technology
- They buy brands that reflect their style

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Strategic Approach - Travel

- How does this promotion connect with the Healthy Choice Destination?

- Travel is an important activity for the Healthy Consumer. Late spring early summer is a key time for our target consumers to plan vacation travel
  - Healthy Choice Shoppers skew strongly toward foreign travel – 23% have participated in Foreign Travel during the past 3 years. Hawaii is considered Foreign Travel.
  - The Healthy Choice Consumers is 10% more likely than the average shopper to have taken a foreign trip during the past year.
  - Healthy Choice Consumers index strongly to travel to Hawaii (116).

Source: Spectra Enlighten 2003

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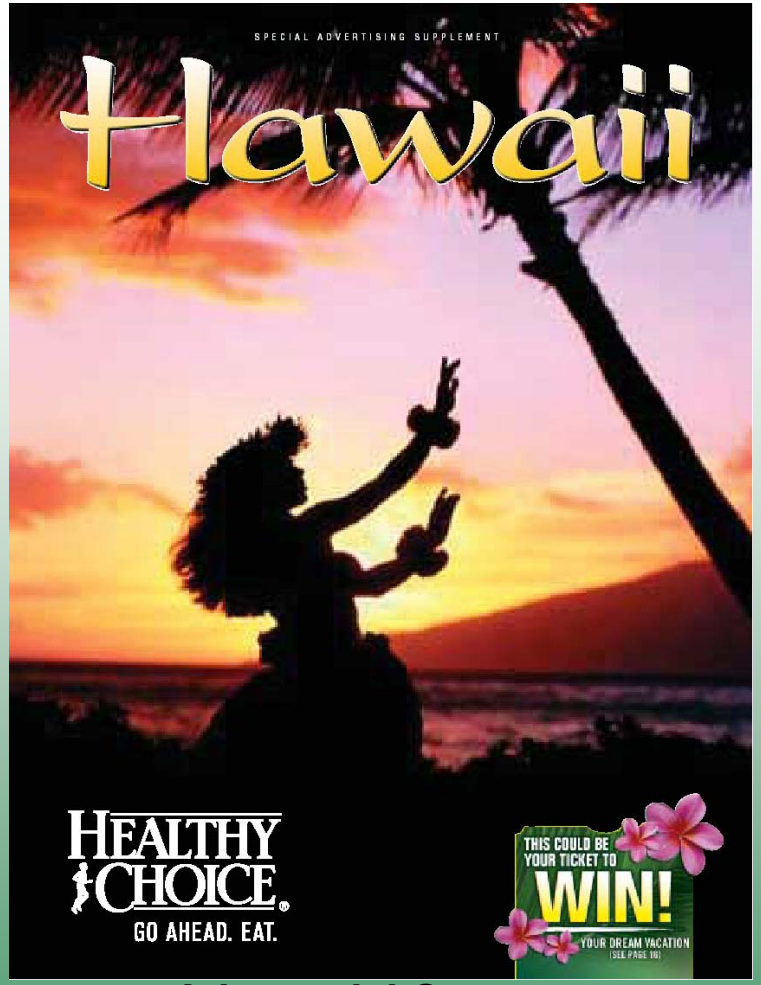
MAY 2003

FY04 Creative Execution



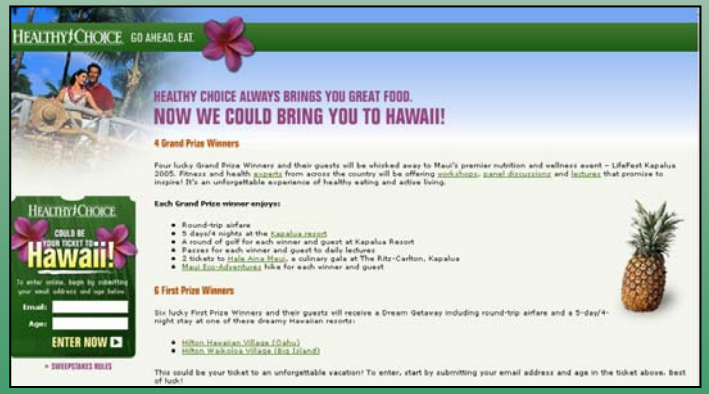
Advertorial Cover

FY04 Creative Execution

FSI Inside Spread

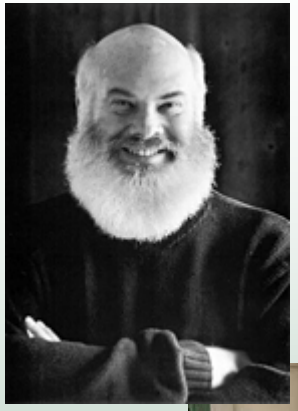
Shelf Take One Cover

Shelf Take One Inside Panel



Website

Healthy Choice & The Islands of Hawai'i!



Headline speaker
Dr. Andrew Weil

Health Expo

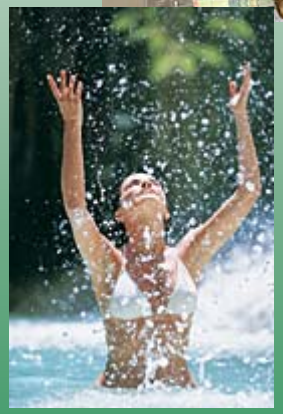
4 GRAND PRIZES for 2

Trip for 2 to LifeFest Kapalua!

Four enriching days devoted to health and wellness at one of the most beautiful luxury destinations in the world, Kapalua, Maui

Prize for 2 Includes

- 5 Days/4 Nights at the Kapalua resort in Maui
- Round of Golf at Kapalua resort in Maui
- Day passes and closer reception at LifeFest
- Maui Eco-Adventures hike



Rejuvenating Activities

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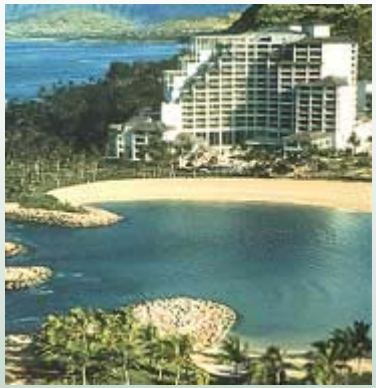
Healthy Choice & The Islands of Hawai'i!



6 DREAM GETWAY FIRST PRIZES FOR 2

Prize includes 5 Days/4 Nights stay at one of the following Hawaiian resorts:

Marriott Ihilani Resort & Spa
Kauai Marriott Resort & Beach Club
Wailea Marriott Resort
Renaissance Wailea Beach Resort
Waikoloa Beach Marriott Resort
Waikiki Beach Marriott Resort

WAIKOLOA BEACH
Marriott.
AN OUTRIGGER RESORT

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Success!!

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Mahalo