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## The H.J. Heinz Company F4Q09 (Qtr End 04/29/08) Earnings Call Transcript

### Question-and-Answer Session

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#### David Palmer – UBS

One thing I noticed from the Europe and then the US comments and the graphs that were shown and we've also heard this from say McDonald's in their presentation about Europe, things have gotten a little worse since March in terms of the economic environment there showing up in certain consumer trends including private label as you underlined. In the US we saw that seems to be reversing. In other words in March into April particularly private label share gain seems to have slowed. I'm wondering how [for real] do we think the private label reversal is in the US in terms of there truly being a reversal of trend, and then also in Europe how long does one this, is this for real and how long and sustained could this be in terms of an issue.

#### David Moran

I think your assessment is exactly right, it seemed like private label will almost exploded in the December, January, maybe February period. It shows up in the numbers across the entire grocery store. It seems to have waned a little bit since then. We can see it in the numbers. I think a lot of major manufacturers started putting some juice to the D&A line and also people started getting back on air with media and the key is going to be the same thing its been for multiple years, innovation, talking to consumers, and out-executing the guys with retailers.

The one thing that I was going to put in my speech that I didn't was how much manufacturers bring to the party with retailers that private label cannot and it really got too cumbersome so I didn't go into it. But don't underestimate the value that major manufacturers play to retailers in terms of store sets, ideas about how to work the entire aisle, there's big time ideas that you guys may not see or be aware of that private label I'm unaware of ever in that game.

#### Scott O'Hara

From a European perspective I think your observation is correct. We have seen a shift and an acceleration in private label in our fiscal fourth quarter. And I've said, my personal view is that I think Europe is about six months behind the US in terms of when we went into the recessionary period and I think ultimately when we're going to come out of it.

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