FEVIA Vlaanderen
Federatie Voedingsindustrie

green seed
where brands grow

Entering and developing the SPAIN Market

Bruxelles—12.12.2013

The entire fruit is already present in the seed.
Tertullian

Today's Program

- The Green Seed Group
- Green Seed SPAIN
- SPAIN MARKET AND TRADE STRUCTURE
- SPAIN FOOD CONSUMPTION
- SPAIN MARKET ENTRY PROCESS
- NEXT STEPS-General Discussion
- Addendum

The Green Seed Group

The Green Seed Group is a unique, international facilitation and consulting network, specialized in the food & drink retail sector.

Our core services include international business and brand strategy, market research, sales and marketing solutions.

With country offices strategically located throughout Europe, North America/Canada and Australasia, Green Seed offers the highest level of in-house expertise, industry-relevant methodologies, value, accuracy, on time deliverables and uncompromised service.

"We Advise, We Execute & We Deliver"

The Green Seed Group - International Network

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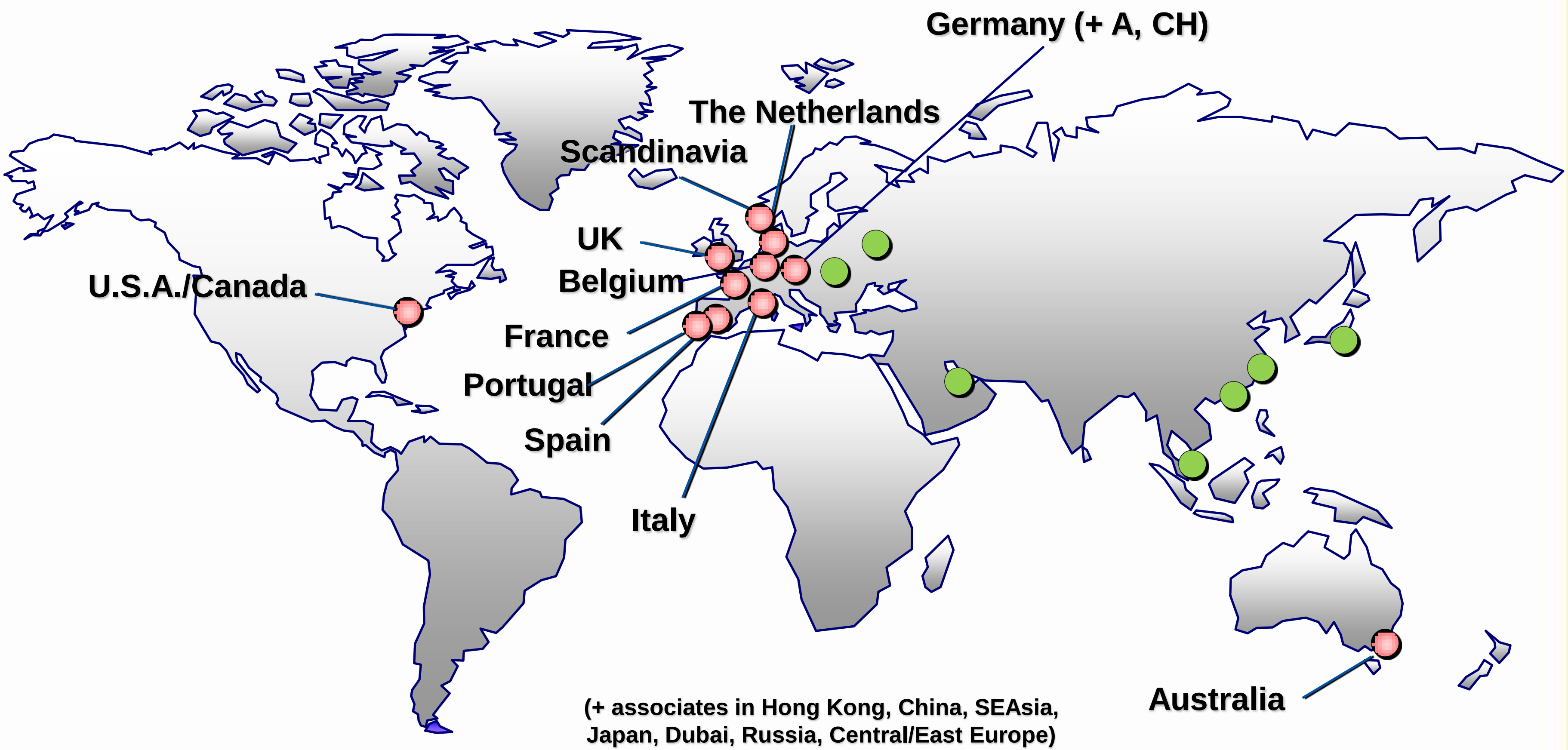

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GREEN SEED SPAIN

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Spain
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Federatie Voedingsindustrie

Business vision of GS SPAIN

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"Be recognised as the champions for **GROWING BETTER TOGETHER:**

- **FOR OUR CUSTOMERS**: We manage for you with you. We are passionate to be the growers for your brands in your venture into Spain
- **FOR OUR PARTNERS IN THE NETWORK**: We strive to develop the network as we believe in the power of our connections
- **FOR OUR TEAM**: We want to release all the potential of our people through training and recognition"

Working as an extension of the client team in-market; being always open, direct and impartial yet passionate about food and beverages and delivering action-oriented results

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Green Seed SPAIN

ANTONIO OBIETA

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Protos
SER PRIMERO

Proelza
Proyectos Estratégicos

International Wine Link

SelecMardis
Alta calidad gastronómica

DOMINIO DE ATAUTA
RIBERA DEL DUERO

Dr Pepper Est. 1885

Schweppes 1783

Apollinaris
The Queen of Table Waters

Koipe

F
UAM
UNIVERSIDAD AUTONOMA DE MADRID
Federatie Voedingsindustrie

INSEAD

Universidad de Deusto
Deustuko Unibertsitatea
Deusto

Green Seed SPAIN-OUR SENIOR TEAM

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SUSANA-EXECUTION & RESULTS

PEPE-PLANNING AND TRADE MGT

ANTONIO-STRATEGY & ADVICE

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ORGANISATION CHART-GS SPAIN

MANAGING PARTNER
--Antonio--

SENIOR CONSULTANT
--Pepe--

- RESEARCH
- STRATEGIC PLANNING
- TRADE RELATIONSHIPS

ADMIN & MIS SUPPORT
--Gladys--

COMMERCIAL & OPERATIONS
DIRECTOR
--Susana--

- MARKETING SUPPORT
- SALES MANAGEMENT
- ROUTE-TO-MARKET EXECUTION

Green Seed SPAIN-Food and Beverage Industry Resources and Contacts

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Contacts and Trade Relationships **in Food and Drinks**	• Retail, Convenience and Food Service Buyers • Key Trade shows (ANUGA, SIAL, ALIMENTARIA..) • Wholesalers,Importers and Distributors
Consumer Insights	• Grupo UNO quantitative Research • Consumer Focus Groups
Market Data-Channel and Category	• IRI and Nielsen Database • Food Service Intelligence
Industry and Government Associations	• Trade Associations • National and Regional Bodies

Green Seed SPAIN

SPAIN MARKET AND TRADE STRUCTURE

Spain – 17+2 markets in 1

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PIB PER CÁPITA 2012 (INE)

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Source: The Economist, INE

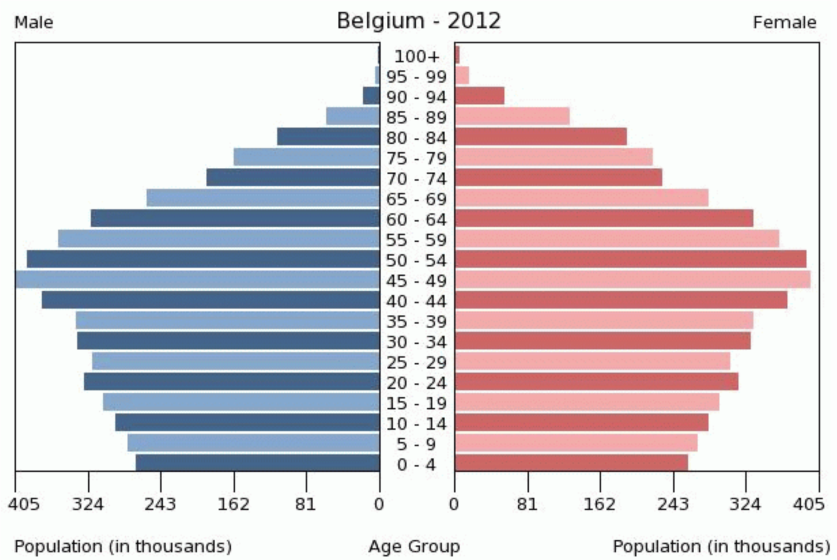
2012 Economic Indicators

- Area: 505,000 Km2
- 17 autonomous regions
- 46,7 M inhabitants (5.1 M immigrants)
  - 15% (1-15 y.o.)
  - 33% (15-40 y.o.)
  - 34% (40-65 y.o.)
  - 18% (+65 y.o.)
- Dec 2012 unemployment rate: 26%
  - highest in EU
- 2012 GDP per Capita: 22.462 €

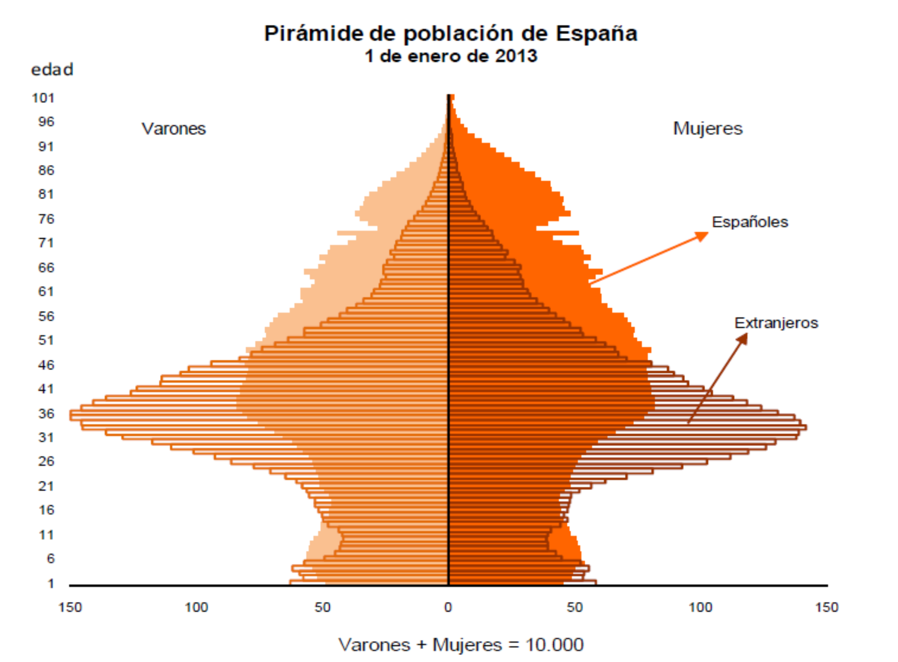
GDP-Year	€ K. Mill.Annual	Change
2012	1,049	(1,4%)
2011	1,063	0.0%

The Spain demography versus Belgium

Age Structure in Belgium



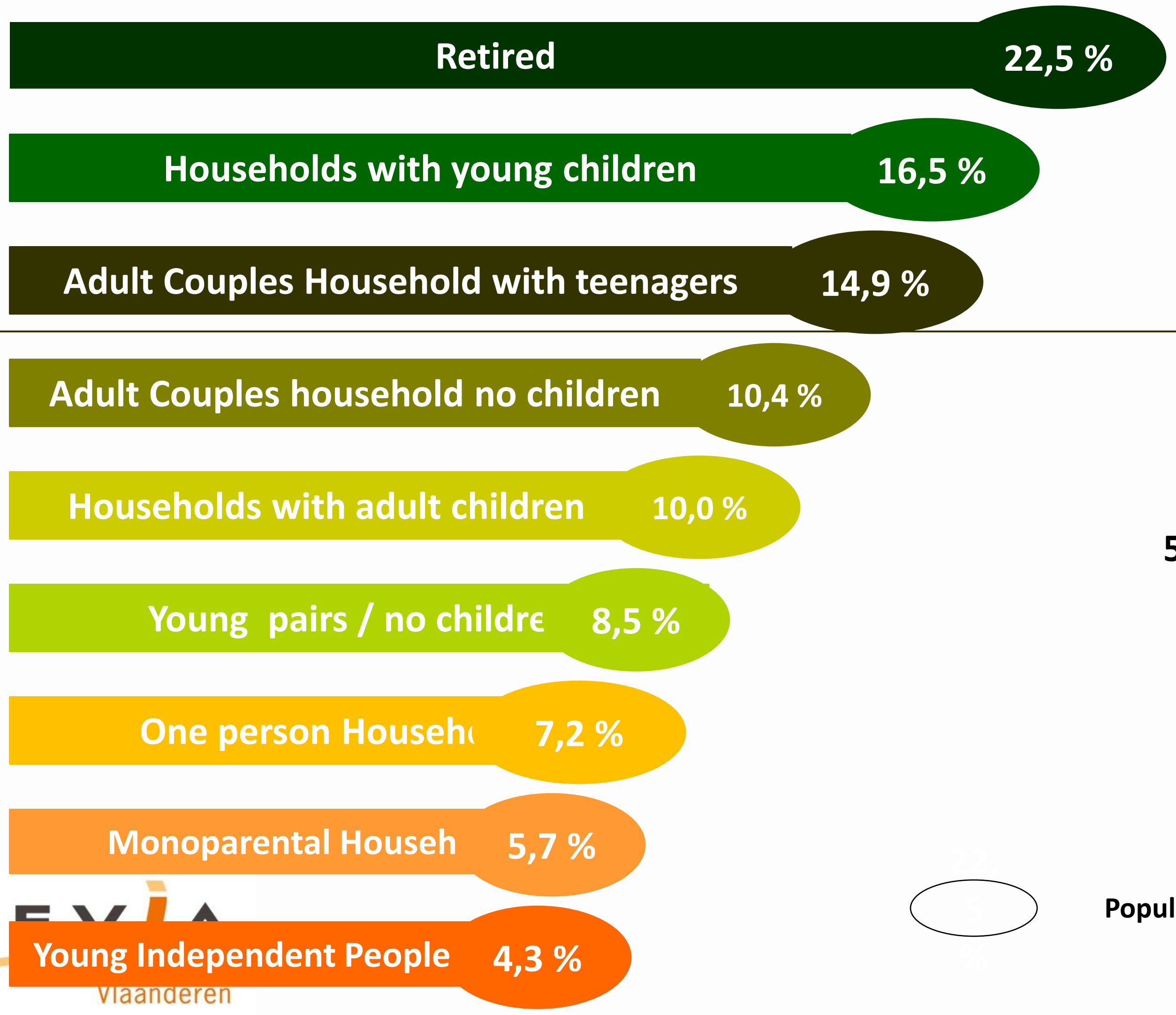
Age structure in Spain



Demographic developments:

- Predominant group in Spain 31-41 y.o . In Belgium 40 to 50
- Groups of less than 25 much lower in Spain than Belgium

The Spain Household structure



53,8 % of the populations

Population distribution 2012

Spain – 2 markets in 1

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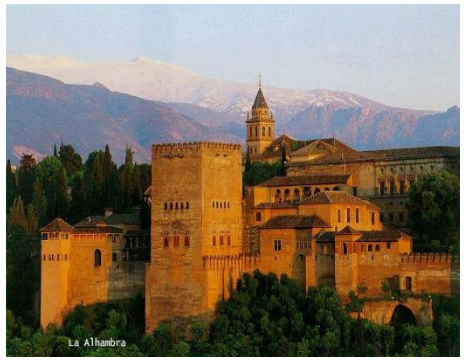

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Domestic Market - Social Trends

- **Strong Family tradition and family oriented people**
  - **- however very low birth rate**
  - **- 1.36 per women in 2011 (2.2 in 1980)**
  - **- Immigration expected to increase this considerably**
- **Food plays a crucial role**
  - **- Eating is a social activity**
  - **- Restaurants and bars play an important role in the social scene.**
- **Changing working patterns**
  - **- lifestyles and working hours moving towards EU patterns.**
- **Incorporation of women into the labour market.**
  - **- higher disposable incomes.**

The Spanish people in development

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Demographic developments:
- Smaller households
- Less households with children
- Spain is ageing -- > Higher age (older consumers)

Other developments:
- Change of traditional working moments
- More traditional / Increase number consumptions at home

Spanish Shopping behaviour:
- Attitude: Eat healthy
- Supermarkt shopping average of 3 times a week
- No longer In-store decisions: shopping list limited

Commercial trends:
Multi buys, multi pack, 3 for 2, % free upsizing, family packs……

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Spain – 2 markets in 1

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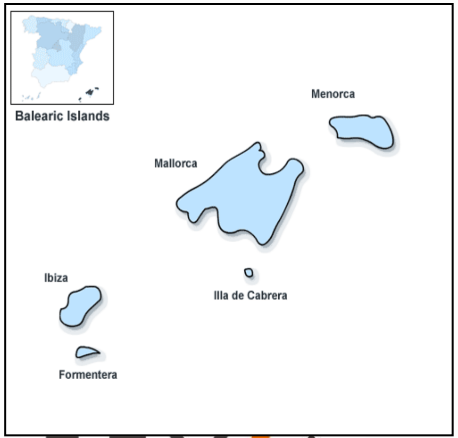

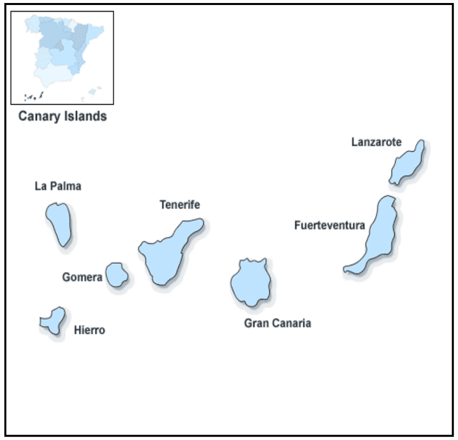

Tourist Market - Top Line data

- **57.7 M tourists visited Spain in 2012**
  - **3,7% from previous year**
  - **4th destination in the world**

- **Distribution by origin**
  - **13,7 mill.UK**
  - **10,0 mill French**
  - **9,3 mill Germans**
  - **4,0 mill Nordic**
  - **4,0 mill Benelux**
  - **3,6 mill Italy**

- **40% of British tourists visit the Canary & Balearic Islands.**

- **± 600,000 British residents living in Spain 65% of expatriates located in Andalucia and Valencia**

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Source: IET, Foreign and Commonwealth office

Spanish Consumer Trends

Spanish Consumer trends center on:

Convenience
- Time saving
- Ready meals (and components)

Price

Health and Wellbeing
- Functional foods
- Pure products
- Fresh
- Organic
- Indulgence
- ‘Comfort food’
- Escape from busy daily life

Sustainability
- Regional food

Individualism
- Products to fit lifestyle
- Focus on smaller target groups

SPAIN Retail – International Context

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Top 10 Western European Markets

Country	Grocery Retail Market (€bn)
1. France	208.17
2. Germany	162.46
3. United Kingdom	161.96
4. Italy	129.56
5. Spain	**97.05**
6. Switzerland	39.77
7. Belgium	34.92
8. Netherlands	34.46
9. Sweden	24.55
10. Greece	23.72

Top 10 Global Markets

Country	Grocery Retail Market (US$bn)
1. USA	881.84
2. China	789.91
3. Japan	359.96
4. India	350.38
5. Brazil	289.92
6. France	276.04
7. Russia	256.38
8. Germany	215.43
9. United Kingdom	214.60
10. Italy	171.80

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Source: Retail Analysis Datacentre, calculated in 2011

SPANISH TRADE PROFILE-Overview

- **Relative FRAGMENTATION both in Retail, Food Service and Impulse:**
  - Top 6 chains account for over 62% of total grocery Retail Market
  - Regional Chains very competitive and with high penetration in their markets
  - Food service and Impulse &Convenience account 400.000+ outlets. Distribution services fragmented across regions. 2.000+ players(!!)
- **Heavy increase of Private Label brands which account of 37% in value of total food consumption during 2012.**

- **Retail environment of 20.200 outlets dominated by Small Supermarkets**
  - 50 % Supermarkets with less than 400 m2
  - 47 % Supers with 400 to 2500 m2,
  - 2,4 % Hypermarkets
- **Food Service highly attractive despite decline in consumption due to changing habits. 300.000 outlets for on-premise consumption**
- **Impulse & Convenience growing fast in last 5 years up to 120.000 outlets. Difficult to evaluate**
- **On-line purchasing still relatively low market share**

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Source: Alimarket, Aral, MAPA

RETAIL Channel Highlights

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- **Relative Concentration:**
- Top 6 chains account for over 62% of total grocery Retail Market
- Next 6 hold 12% of som. But significantily represented in local markets

- **Almost 50% of the sector is handled by foreign companies. French and German chains heavily present in Spain:**
  - ✓ **Hypermarkets / Supermarkets**: *Carrefour, Auchan*
  - ✓ **Discount Stores:** *Lidl, Dia*
  - ✓ **Cash & Carry**: *Makro*

- **Retail format dominated by Small Supermarkets**
  - **Average turnover (+/-) 4,500 eur/m2**
  - **20.200+ outlets. Average space of 600 m2**
  - **Of which:**
    - 50 % Less than 400 m2 Supermarkets,
    - 31 % Supers with 400 to 1000 m2
    - 16 % Supers > 1000 m2< 2500m2
    - 2,4 % Hypermarkets

- **Heavy increase of Private Label brands which accounts of 37% in value of total food consumption during 2012.**

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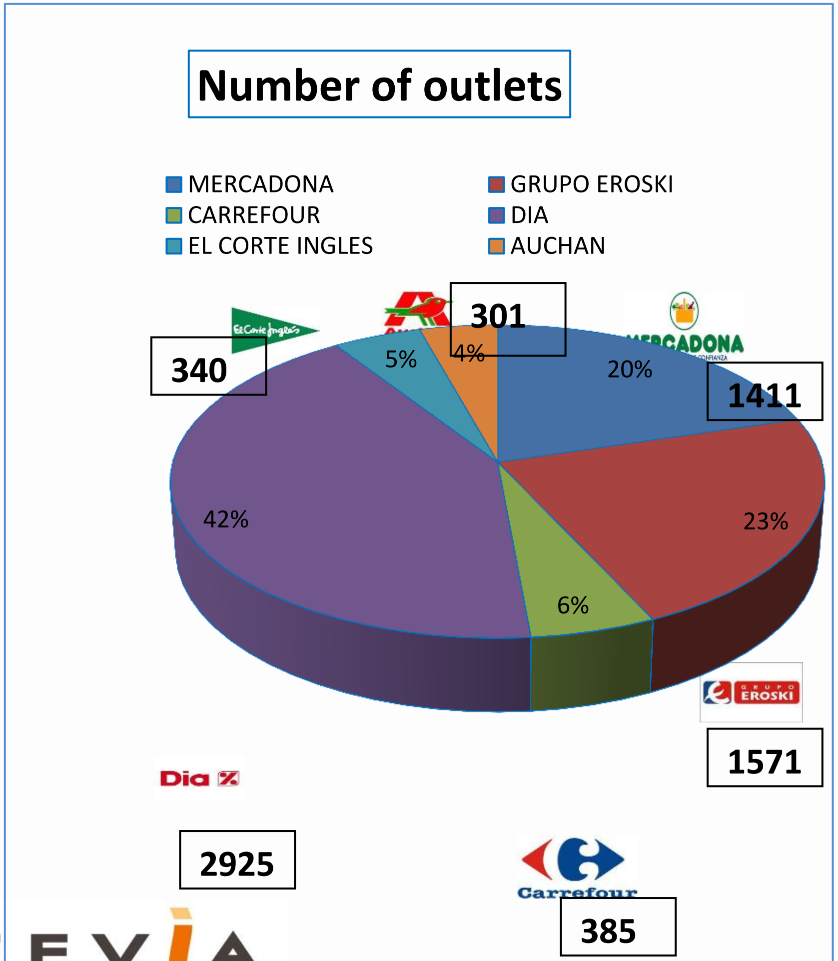
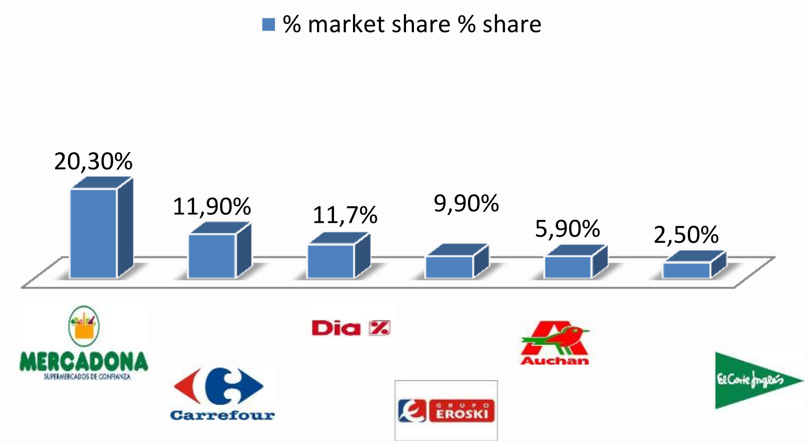
Federatie Voedingsindustrie

Source: Alimarket, Aral, MAPA

TOP NATIONAL RETAILERS IN SPAIN



% market share(6 Most important groups)



Source: Alimarket, Aral

TOP NATIONAL RETAILERS IN SPAIN- Regional Weight

	Mercadona	Carrefour	Dia %	Eroski	Auchan	El Corte Inglés
North	↓	↓		↑	↑	↓
South	↑			↓	↓	↑
Center		↑	↑		↑	↑
East	↑		↓			↓

Note: → ↑ **Over represented** ↓ **Under represented**

SPAIN REGIONAL RETAILERS

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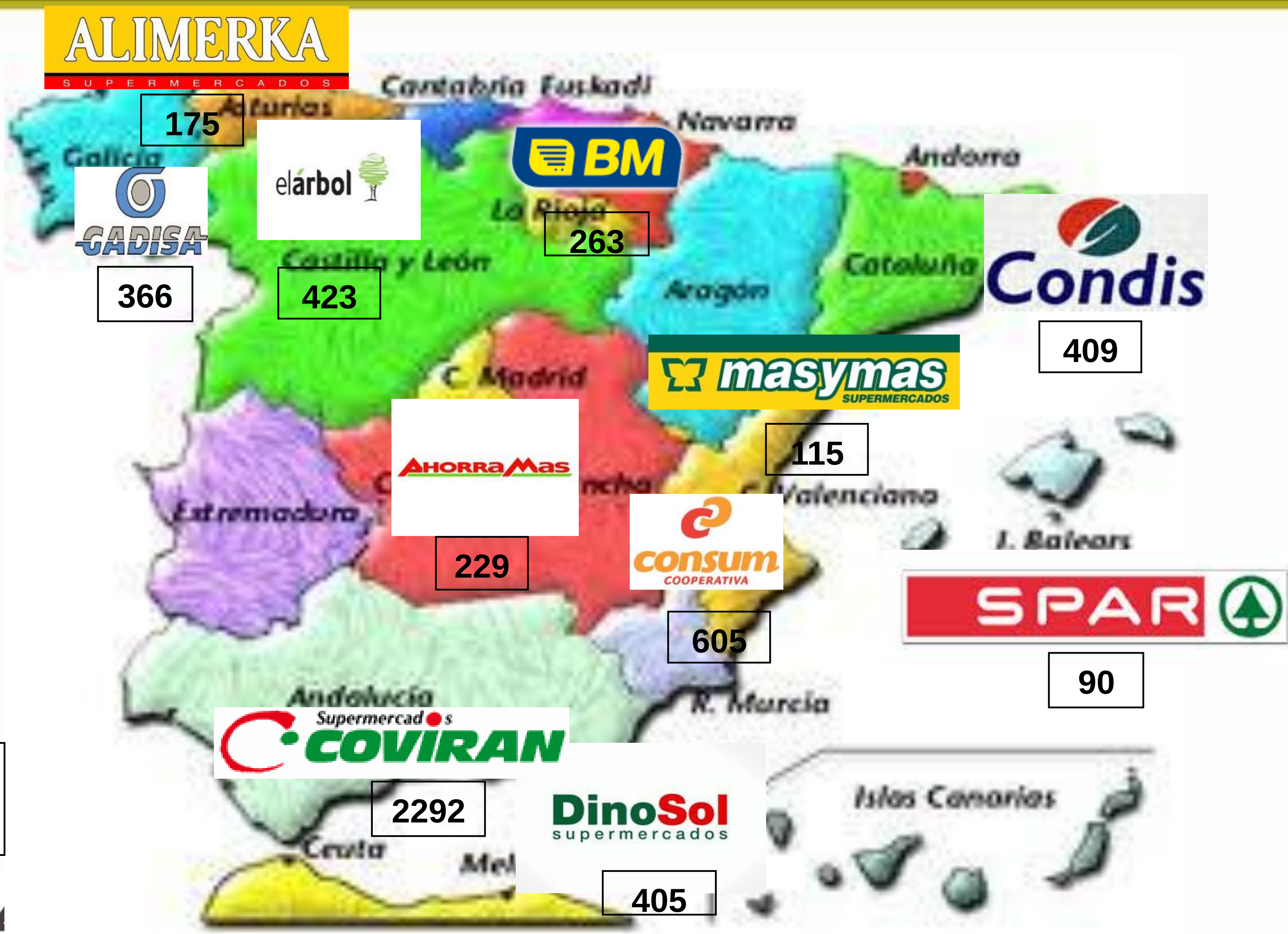

RETAILER

Nr. Of outlets

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Source: Alimarket, Nielsen

RETAIL Channel-Logistics

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PRINCIPALES EMPRESAS DE LOGÍSTICA PARA LA DISTRIBUCIÓN (M€)

Empresa	Localidad	Ventas Total'11	Ventas Distr.'11	Ventas Total'12	Ventas Distr.'12	Previsión Total'13	Previsión Distr.'13	Clientes (Nº plataformas)
DHL SUPPLY CHAIN SPAIN (1)	Coslada (M)	370,6	91,0	370,1	91,0 (*)	-	-	CARREFOUR (3), EROSKI (2), MAKRO (1)
FCC LOGÍSTICA	Alcalá de Henares (M)	273,5	57,5	255,0	51,0	-	-	ALCAMPO (1), CARREFOUR (2), MAKRO (1)
SDF IBÉRICA (2)	Torrejón de Ardoz (M)	183,7	55,1	199,4	49,8	-	-	EROSKI (2), CARREFOUR (1), EL ÁRBOL (1), CONDIS (1), COVIRÁN (1), COVALCO (1)
SALVESEN LOGÍSTICA (3)	Alcobendas (M)	157,0	34,5	149,0	34,3	149,0	35,7	CARREFOUR (1), ALCAMPO (1)
NORBERT DENTRESSANGLE GERPOSA (4)	Santander	390,0	25,0 (*)	416,0	25,0 (*)	450,0	-	MAKRO (1)
ID LOGISTICS	Alcobendas (M)	36,4	25,0 (*)	45,2	25,0 (*)	-	-	CARREFOUR (2), EROSKI (1), ALCAMPO (1)
GRUPO GARVASA	Penagos (CAN)	19,0	8,5	25,5	15,0	26,0	16,0	CARREFOUR (1)
HERMES LOGÍSTICA (5)	Barcelona	53,8	13,4	53,8	13,4	55,0	14,0	DINOSOL (1), SUPERSOL (1)
FRIO VALDI	Valdilecha (M)	11,5	11,5	12,5	12,5	-	-	EUROMADI (1)
LOGIFRÍO GESTIÓN FRIGORÍFICA (6)	Leganés (M)	63,0	10,9	61,2	10,9	-	-	MIQUEL (1)
FACTOR CINCO SOLUCIÓN (7)	Alovera (GU)	20,0	10,0	21,0	9,0	22,5	9,0	ALCAMPO (1)
GRUPO OLANO (8)	Zaragoza	34,6	4,0	37,5	8,5	38,8	-	SABECO (1) EL ÁRBOL (1)
CEFRUSA SERVICIOS FRIGORÍFICOS (9)	Barcelona	7,8	5,4	9,8	6,8	13,5	9,4	CAPRABO (1), E. LECLERC (1)
FUDIS EXPERT SERVICIOS LOGÍSTICOS (10)	Santa Cruz de Tenerife	7,2	3,6 (*)	8,5	4,3 (*)	-	-	-
BG LOGISTICS (11)	Barcelona	3,9	2,5 (*)	3,2	2,5 (*)	4,3	-	BON PREU (1)
NAEKO LOGISTICS	Sant Boi de Llobregat (B)	10,0	2,0	10,5	2,1	10,8	2,5	LIDL (2)
TERCON	Vitoria (ALA)	1,5	1,5	1,5	1,5	-	-	EROSKI (1)
APC ALMACENES PROD. CONGELADOS	Palau de Plegamans (B)	10,5 (*)	0,5 (*)	10,0	0,5 (*)	-	-	CONDIS (1)

- Logistics concentrated in 10 companies covering 80 % of market
- Infrastructures prepared to deliver to 20.000+ outlets
- All Logistic Operators service different retailers depending on processes, regions and categories
- All major retailers except Mercadona and C. Ingles use a diversified third party network of operators due to specialised processes depending on categories
- All retailers (except C. Ingles) are diversifying their platforms by speciality

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Source: Nielsen,Alimarket, Aral, MAPA

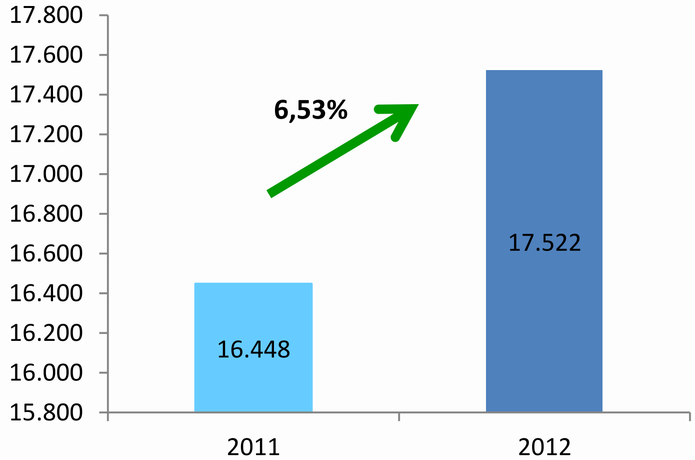
RETAIL Channel-Top retailers profile

- **6 National**

- **2 Hard Discounts**

- **8 Regional**

Turnover million eur



Main Data to 31.12.2012

nº hypers	0
nº supers	1.411
Eur sales/m2	9.497
000's m2	1.845
Employees 000'S	74

Nº 1 Retail Group in Spain
Market Share 20,30%

Positioning: Total buying Experience with EDLP

Strategy: Consumer Satisfaction Strategy

"You R the Boss, everything you want you have it":

- Total Satisfaction to the 5 groups of a company: Consumer, Worker, Supplier, the Company and the Capital.
- Mercadonas Brands: the most atractive and profitable brands.
- Return to the Basics:
  - ✓ Maximum Quality- Minimum Stable Price
  - ✓ Constant Quality, with no doubt!
  - ✓ Innovation: regular listings of new Sku's
  - ✓ "We listen to you"
- General company Strategy: Continuous reinvestment .

MERCADONA
SUPERMERCADOS DE CONFIANZA

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LOGISTICS

- **13 owned platforms and internally managed**
- **Guadix New: 77.500 m2**

RED LOGÍSTICA DE MERCADONA

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
MERCADONA	Riba-Roja Turia (V)	107.260	Gran consumo
MERCADONA	Ciempozuelos (M)	103.120	Gran consumo
MERCADONA	San Isidro (A)	82.780	Gran consumo
MERCADONA	Huévar (SE)	82.205	Gran consumo
MERCADONA	Villadángos del Páramo (LE)	80.196	Gran consumo
MERCADONA	Antequera (MA)	76.204	Gran consumo
MERCADONA	S. Sadurní d'Anoia (B)	74.843	Gran consumo
MERCADONA	Ingenio (GC)	47.956	Gran consumo
MERCADONA	Granadilla de Abona (TF)	42.734	Gran consumo
MERCADONA	Zaragoza	11.169	Gran consumo
MERCADONA	Palma de Mallorca	7.619	Gran consumo
MERCADONA	Puerto del Rosario (FT)	3.160	Gran consumo
MERCADONA (1)	Guadix (GR)	-	Gran consumo

(1) El centro logístico de Guadix se está inaugurando en varias fases durante 2013, con una superficie edificable total de 77.500 m2.

Fuente: TRANSmarket

BUYING POLICY

- ✓ Inter Suppliers: The selected supplier ONLY can sell to Mercadona in the trade
  - Long Term contracts
  - Clear Relationship
  - Optimization of manufacturing proceses.
- ✓ With national Brands Manufacturers want to be seen as the most innovative, as the "leader"

Nuestras marcas:

HACENDADO Deliplus Bosque Verde Compy

Carrefour

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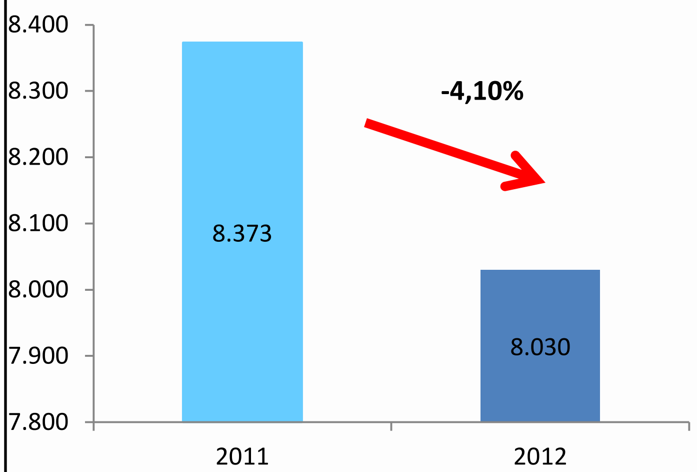
Turnover million eur



Main Data to 31.12.2012

nº hypers	173
nº supers	212
Eur sales/m2	8.339
000's m2	963
Emplyees 000'S	28,8

Nº 2 Retail Group in Spain
Market Share 11,90%

Positioning: Assortment & Satisfaction

Strategy: Reinvent the Hypermarket Concept

- Commitment orientated to the full satisfaction of the client + perfect client service.
- Restyling Hipers & Supers, making individual spaces imitating fresh market places, like the traditional ones: big success
- Restructuring (Planet Concept dropped) all outlets and priorizing small formats

Carrefour market   Carrefour express

- Strengthen the supply arrangements with local and regional producers:
  - tradition, proximity of the client and a sort of mimicry in the areas they are situated.
- DOB strategy expanding: each year they are launching 240 sku's but they represent no more than 30% of the full range.

FEVIA   De Nuestra Tierra   Carrefour selección   Carrefour KIDS   TeX

LOGISTICS

- ➢ **10 Platforms distributed all across Spain & Sharing facilities with Eroski – Makro**
- ➢ **1 Main Transportation Agency: Olano Group**

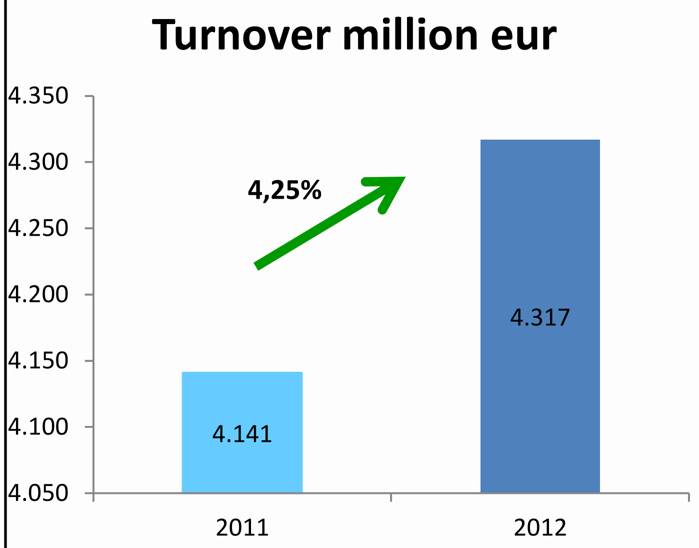
BUYING POLICY

- ✓ Very centralized : 1 buyer for HM / SM
- ✓ Want to be seen as the most innovative, as the "leader" in purchasing processes
- ✓ Limited number of suppliers

RED LOGÍSTICA DE CARREFOUR

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
FCC LOGÍSTICA (*)	Alovera (GU)	82.141	Electrodomésticos/Textil/Bazar y PGC Baja Rotación
FCC LOGÍSTICA (*)	Dos Hermanas (SE)	69.235	Gran Consumo y Non Food Baja Rotac.
ID LOGISTICS (*)	Azuqueca de Henares (GU)	60.628	Gran consumo y Non Food Alta Rotación
ID LOGISTICS (*)	Riba-roja de Túria (V)	53.600	Gran consumo y Non Food Alta Rotación
GARVASA (*)	Penagos (CAN)	51.514	Gran consumo/Non Food Alta Rotación/Prod. Frescos, Refrig. y Congelados
DHL (*)	Zal El Prat (B)	50.904	Gran consumo y Non Food
STEF IBERIA (*)	Getafe (M)	17.137	Congelad./Refrigerad./Prod. frescos
DHL (*)	Gelida (B)	12.866	Congelad./Refrigerad./Prod. frescos
DHL (*)	Villanueva Castellón (V)	11.561	Congelad./Refrigerad./Prod. frescos
SALVESEN LOGÍSTICA (*)	Dos Hermanas (SE)	9.899	Congelad./Refrigerad./Prod. frescos

(*) Operador externo.
Fuente: TRANSmarket



Main Data to 31.12.2012

nº hypers	0
nº supers	2.925
Eur sales/m2	3.473
000's m2	1.243
Emplyees 000'S	19,4

Nº 3 Retail Group in Spain
Market Share 11,70%

Positioning: Proximity Discount

Strategy: Quality and Price are very close and next to you

- DIA is independent from 2011.
- "DIA Fresh" format as new strategic lever
  - 125-200 m2- 1000 references- 4/6 employees
  - Basic range non fresh products
- Reconversion of the Proximity Business in:
  - ✓ "DIA Market": 400-700 m2- 2.800 references (more space for fresh products)
  - ✓ "DIA Maxi": 700-1000 m2- 3.500 references including Textil
- 2012: Bought Schlecker
  - 1.127 new shops in Spain & 41 Portugal
  - 4 Platforms
- Membership: "Club DIA"
  - 15 years old
  - 71% sales done by the card
- New 2013: Online Shopping

LOGISTICS

- **17 owned platforms + 3 with third party (Salvensen, Cefrusa and SDF)**
- **2012: 4 new ones(previously Schlecker)**

RED LOGÍSTICA DE DIA (1)

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
DIA	Getafe (M)	**32.323**	Gran consumo
DIA	Sabadell (B)	**30.729**	Gran consumo
DIA	Dos Hermanas (SE)	**30.625**	Gran consumo
DIA	Santiago Compostela (C)	**23.000**	Gran consumo
DIA	Miranda de Ebro (BU)	**21.720**	Gran consumo
DIA	Villanubla (VA)	**20.700**	Gran consumo
DIA	Orihuela (A)	**18.500**	Gran consumo
DIA	Mejorada del Campo (M)	**18.477**	Gran consumo
DIA	Puerto de Santa María (CA)	**18.335**	Gran consumo
DIA	Arroyomolinos (M)	**18.172**	Gran consumo
DIA	Mallén (Z)	**18.150**	Gran consumo
DIA	Antequera (MA)	**18.020**	Gran consumo
DIA	Jaén	**17.600**	Gran consumo
DIA	Mérida (BA)	**17.450**	Gran consumo
DIA	Manises (V)	**16.200**	Gran consumo
DIA	La Selva del Camp (T)	**15.380**	Gran consumo
DIA	S. Antoni Villamajor (B)	**12.484**	Gran consumo
DIA	Seseña (TO)	**12.270**	Gran consumo
DIA	Llanera (AS)	**12.061**	Gran consumo

(1) A finales de 2012 integró 3 centros logísticos en España y 1 en Portugal, provenientes de la cadena de non-food Schlecker.

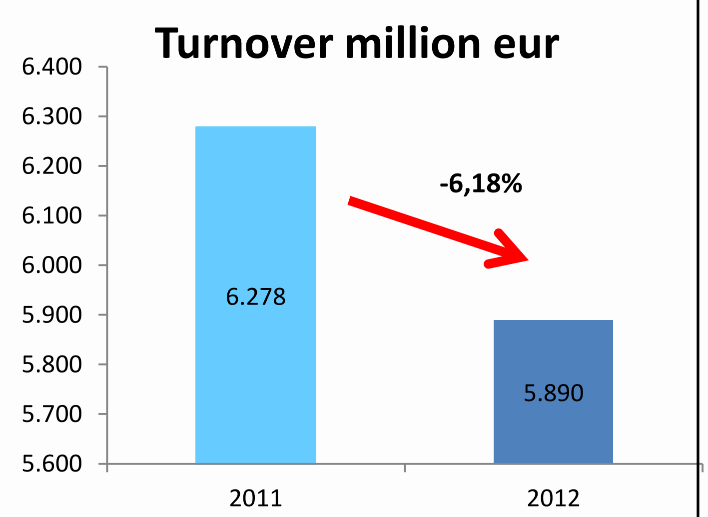
Fuente: TRANSmarket

BUYING POLICY

- ✓ Very centralized and innovative
- ✓ Web enabled processes with suppliers seeking maximum efficiency
- ✓ Power of 55% of DOB portfolio as negotiation tool

Nº 4 Retail Group in Spain
Market Share 9,90%

Positioning: Adapting Locally “with you”



Main Data to 31.12.2012

nº hipers	95
nº supers	1.476
Eur sales/m2	4.781
000's m2	1.232
Emplyees 000'S	39,9

Strategy: Efficiencies Management & Specialization

- Workers Cooperative with 13.033 Partners/Employees
- Economical debt situation:
  - ✓ 2012: better result to reduce debt: 300 m Euros
  - ✓ 2013/2016.- New Business Plan: to solve the high debt of 2.500 m. euros
  - ✓ Attain the internal efficiency and saving 57 m Euros.
- Eroski Hipers and Shops: “Cleaning” to absorb Caprabo acquisition so as to become strong in Cataluña
  - ✓ 7 Hypers sold to Leclerc (Madrid)
  - ✓ 6 Hypers and 90+ supers closed
- Eroski Hipers and Shops: “New Era 2011-2016”
  - ✓ Focus on North Regions
  - ✓ 156 New openings= 50 m Euros
  - ✓ 64 Franchise Shops
- Next Target: automation in logistic processes
- Business orientated to: fresh products, organic and eco food, perfumery, personal care and parapharmacy.

LOGISTICS

- ➢ 12 owned platforms + 5 third party (SDF, DHL, ID logistics and Tercon)
- ➢ Inherited the Caprabo platforms in Cataluña

BUYING POLICY

- ✓ Still restructuring the suppliers base after Caprabo acquisition
- ✓ Highly centralized processes in HQ,s

RED LOGÍSTICA DE EROSKI

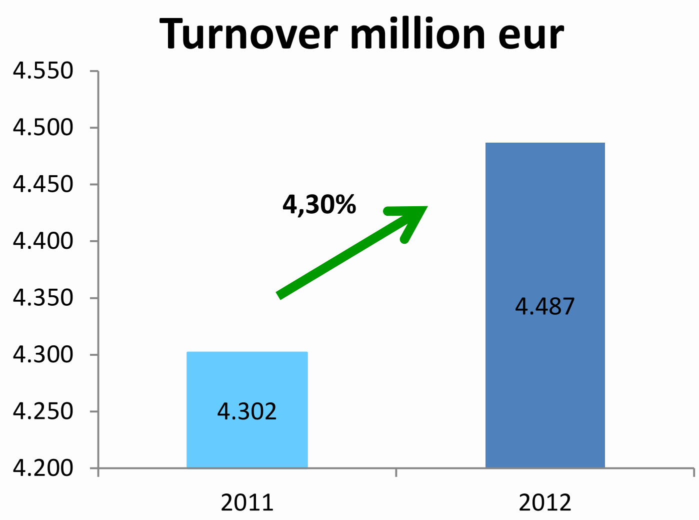
OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
DHL EXEL (*)	Agurain (ALA)	48.000	No alimentación
EROSKI	Elorrio (BI)	40.000	Alimentación seca
EROSKI	Málaga	35.000	Alimentación seca/frescos
VEGALSA	Sigüeiro (C)	28.000	Alimentación seca
EROSKI	Zaragoza	28.000	Alimentación seca/frescos
EROSKI	Palma de Mallorca - Son Morro	20.000	Alimentación seca/frescos
ID LOGISTICS (*)	San Agustín de Guadalix (M)	25.000	Refrigerado/congelado/cárnicos/fruta y verdura
EROSKI	Ciempozuelos (M)	24.000	Alimentación seca
DHL EXEL (*)	Azuqueca de Henares (GU)	18.000	No alimentación
EROSKI	Amorebieta (BI)	17.000	Frescos
EROSKI	Mercamadrid	14.000	Frescos
EROSKI	Ibiza (IB)	10.000	Alimentación seca/frescos
VEGALSA	A Coruña	10.000	Frescos
EROSKI	Palma de Mallorca - Mercapalma	8.000	Frescos
EROSKI	Menorca	8.000	Alimentación seca/frescos
EROSKI	Vitoria	8.000	Alimentación seca
STEF IBERIA (*)	Amorebieta (BI)	5.000	Congelado
EROSKI	Vitoria	5.000	Frescos
TERCON (*)	Vitoria	3.000	Frescos
STEF IBERIA (*)	Vigo (PO)	1.000	Congelado

(*) Operador externo.
Fuente: TRANSmarket

RED LOGÍSTICA DE CAPRABO

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
CAPRABO	Hospitalet de Llobregat (B)	35.000	Alimentación , Carne y Pescado
CAPRABO	Abrera (B)	22.000	Alimentación, fruta y verdura
CEFRUSA (*)	Abrera (B)	2.000	Congelados

(*) Operador externo.
Fuente: TRANSmarket



Main Data to 31.12.2012

nº hipers	80
nº supers	221
Eur sales/m2	9.712
000's m2	462
Emplyees 000'S	16,4

Nº 5 Retail Group in Spain
Market Share 5,90%

Positioning: Price & Assortment

<u>Strategy: to continue being the most unexpensive in the market</u>

- Only Alcampo has opened 4 Hypermarkets in 2012 – 9,000 m2 each
- The biggest nº of sku's in the scene: 57.000 sku's
  - ✓ 1000 are eco/gluten free/diet.
  - ✓ 900 wine sku's.
  - ✓ Plenty of products branded Auchan & "Punto Amarillo".
- Alcampo controls under Sabeco: Simply Supermarkets
  - ✓ Sabeco is Auchan's subsidiary in charge of small super/hyper development
  - ✓ Simply counts with different types of shops: Simply market, Simply Basic, Simply City" Some of the franchise
- New Project: to update their commercial image
  - ✓ 156 New openings= 50 m euros
  - ✓ 64 Franchise Shops
- 2012.- 9.000 sku's Online shopping (Zaragoza)
- Centralized buying policy but shops also involved.

LOGISTICS ALCAMPO
- 1 owned platform and 5 third party

LOGISTICS SABECO
- 9 owned platforms

RED LOGÍSTICA DE ALCAMPO

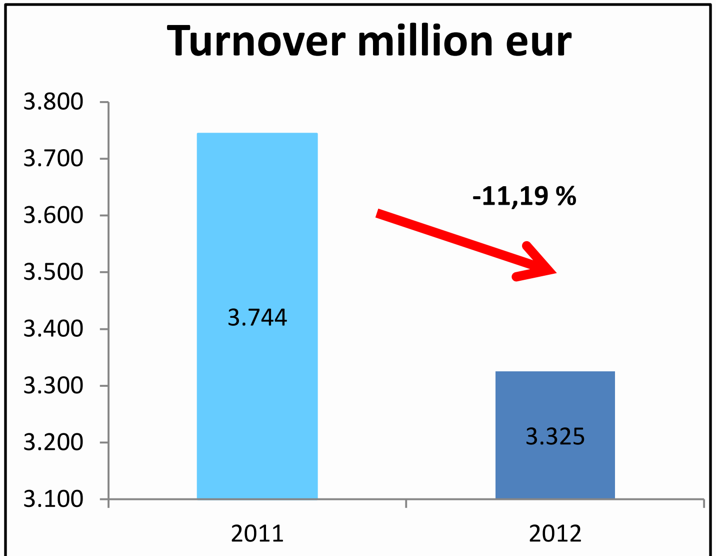
OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
FACTOR CINCO (*)	Camarma Esteruelas (M)	70.000	Bazar/Hogar/Textil
FCC LOGÍSTICA (*)	Valdemoro (M)	50.000	Alimentación fresca (salvo carnes) y PGC
ID LOGISTICS (*)	Granollers (B)	6.000	PGC
ALCAMPO	Redondela (PO)	5.700	Aprovisionamiento y distribución
SALVESEN LOGÍSTICA	Sant Cugat del Vallés (B)	--	Alimentación fresca

(*) Operador externo.
Fuente: TRANSmarket

RED LOGÍSTICA DE SABECO

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
SABECO	Villanueva Gállego (Z)	24.500	Gran consumo
SABECO	Villanueva Gállego (Z)	14.500	Bazar, hogar y textil
SABECO	Zaragoza	9.126	Perecederos
SABECO	Miranda de Ebro (BU)	8.500	Gran consumo
SABECO	Miranda de Ebro (BU)	8.200	Perecederos
SABECO	Alcalá de Henares (M)	7.000	Gran consumo
SABECO	Zaragoza	4.170	Carnes
SABECO	Zaragoza	2.100	Congelados
SABECO	Alcalá de Henares (M)	1.400	Perecederos
BUILSA (*)	Zaragoza	700	Pescado fresco

(*) Operador externo.
Fuente: TRANSmarket



Main Data to 31.12.2012

nº hipers	42
nº supers	298
Eur sales/m2	6.192
000's m2	537
Emplyees 000'S	15,2

Nº 6 Retail Group in Spain
Market Share 2,50%

Positioning: Quality is not Expensive

Strategy: We can offer you the best but also what you need

- Food Business has lost a lot of quota in the last 3 years:
  - ✓ Crisis in the Hyper: 58%of the sales is Hypercor but -19% sales in 2012
  - ✓ Disadvantages in final RSP
- El Corte Ingles Chain is known for:
  - ✓ Gourmet style, high quality assortment, variety of options BUT bad price positioning
  - ✓ Good Service & plenty of facilities to shop
  - ✓ Orientated to medium-upper class
- To Solve the price positioning
  - ✓ CI Launch brand Aliada= first price
  - ✓ TV/Press campaign 2012.- “Price have come down in more than 4.500 sku’s”
- New Business:169 Petrol Station small shops
- From 2013 Corte Ingles is part of AMS Sourcing (Ahold, Migros, Morrisson etc) to ensure the idea of “First Price”

LOGISTICS

- 3 owned platform
- Small regional platforms to redistribute

RED LOGÍSTICA DE EL CORTE INGLÉS (1)

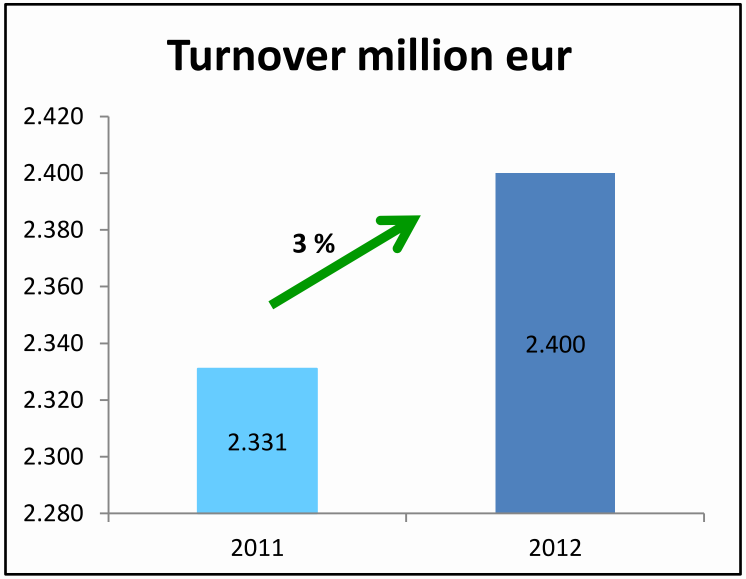
OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
EL CORTE INGLÉS	Valdemoro (M)	440.000	Gran consumo/Mercancía General Grandes Almacenes
EL CORTE INGLÉS	Montornés V. (B)	200.000	Mercancía General Grandes Almacenes
EL CORTE INGLÉS	Telde (GC)	42.000	Gran consumo/Mercancía General Grandes Almacenes

(*) Operador externo.

(1) Cuenta además con una red de plataformas locales de apoyo a las tiendas (Centros de Servicio Local) cuya superficie total ronda los 200.000 m2.

Fuente: TRANSmarket

Hard Discount



- **Market Share (2012): 1,9 % -> growing**
- **Nr of stores: 526 and a total of 476 k. m2**
- **9.650 employees**
- **2,5 m clients x week**
- **2012 purchases to Spanish suppliers: 2.500 M euro**

LOGISTICS

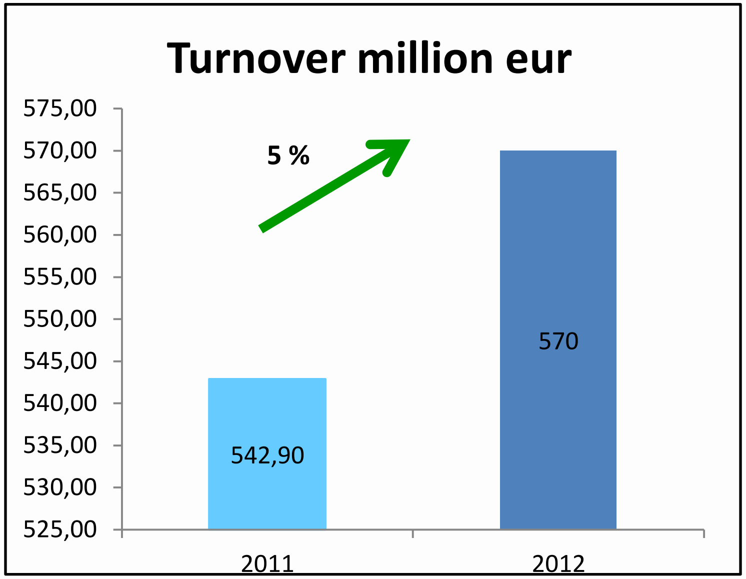
- **9 owned platforms+ 2 with 3rd party**

RED LOGÍSTICA DE LIDL

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
LIDL	Montcada (B)	48.000	Gran consumo
LIDL	Narón (C)	31.000	Gran consumo
LIDL	Pinto (M)	30.000	Gran consumo
LIDL	Málaga	33.000	Gran consumo
NAEKO (*)	ZAL (B)	30.000	Non Food Import
LIDL	Llodio (ALA)	27.000	Gran consumo
LIDL	Dos Hermanas (SE)	26.500	Gran consumo
LIDL	Riba-roja de Túria (V)	25.700	Gran consumo
LIDL	Seseña (M)	25.000	Gestión centralizada Non Food
LIDL	Güímar (TF)	17.300	Gran consumo
NAEKO (*)	ZAL (B)	15.000	Food Import

(*) Operador externo
Fuente: TRANSmarket

Hard Discount



- **Market Share (2012):1,1%** -> growing
- **Nr of stores: 261 and a total of 250 k. m2**
- **1.850 employees**

LOGISTICS

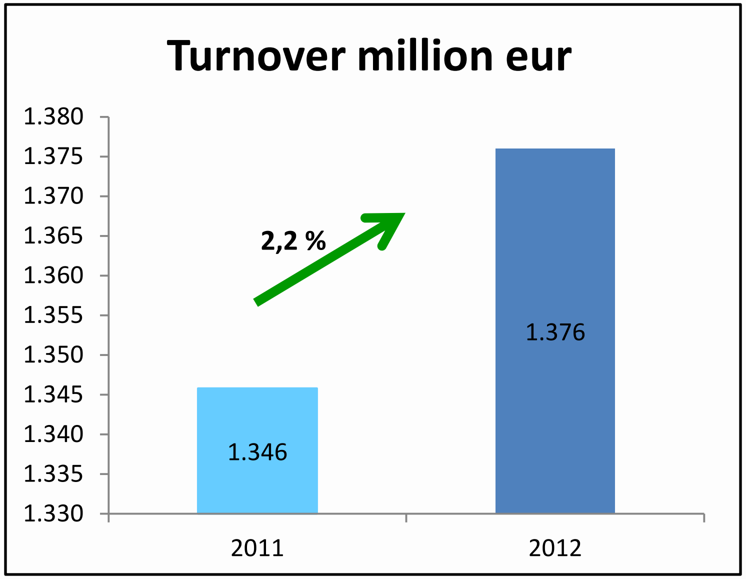
- **5 owned platforms**

RED LOGÍSTICA DE ALDI

OPERADOR	LOCALIDAD	SUP.(M2)	ACTIVIDAD
ALDI	Masquefa (B)	32.000	Alimentación y bebidas
ALDI	Dos Hermanas (SE)	24.544	Alimentación y bebidas
ALDI	Albatera (A)	17.300	Alimentación y bebidas
ALDI	Montornés del Vallés (B)	6.664	Alimentación y bebidas
ALDI	Pinto (M)	--	Alimentación y bebidas

Fuente: TRANSmarket

FEVIA Vlaanderen
Federatie Voedingsindustrie



Employees	9.574
Nº shops	229
000's m2	170.014
Logistic platforms	6

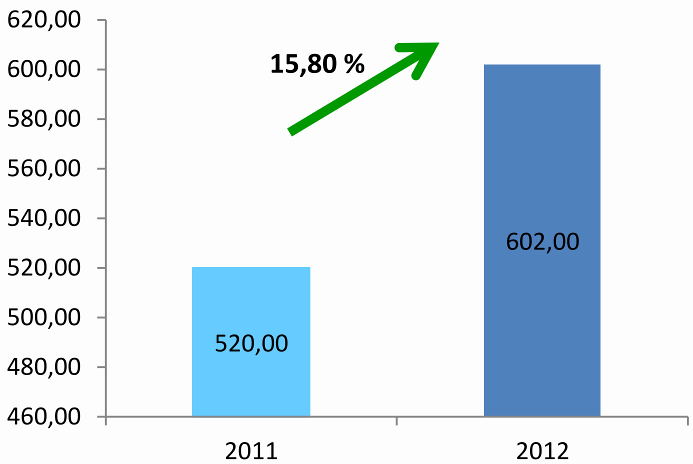
MADRID AREA

grupo Uvesco

BM

green seed
where brands grow

Turnover million eur



Employees	3.600
nº outlets	263
000's m2	145.434
Logistic platforms	2

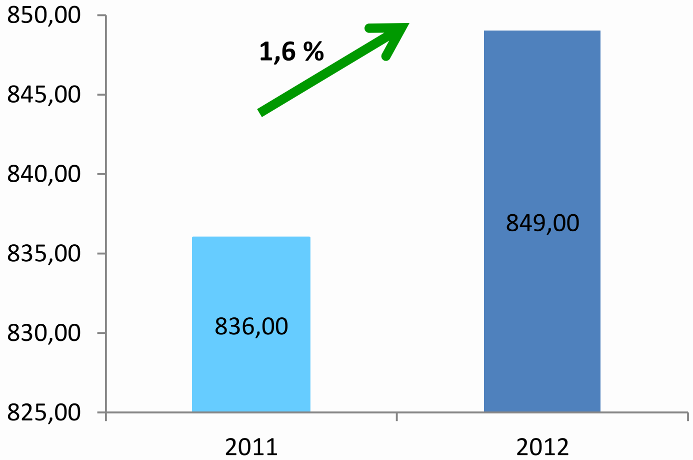
BASC COUNTRY AREA

FEVIA
Vlaanderen
Federatie Voedingsindustrie

elárbol

green seed
where brands grow

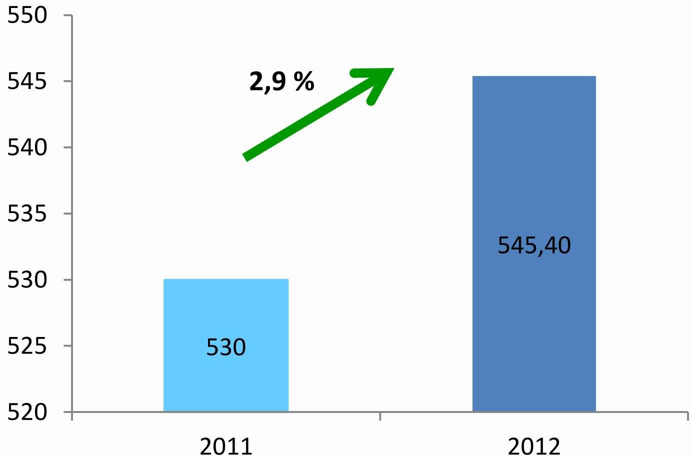
Turnover million eur



Employees	7.004
Nr. outlets	423
000's m2	288.343
Logistic plarforms	10

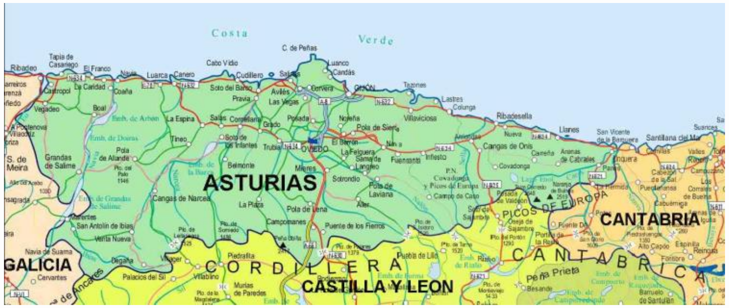
CASTILLA Y LEÓN AREA

Turnover million eur



Employees	5.730
nº shops	175
000's m2	167.441
Logistic platforms	5

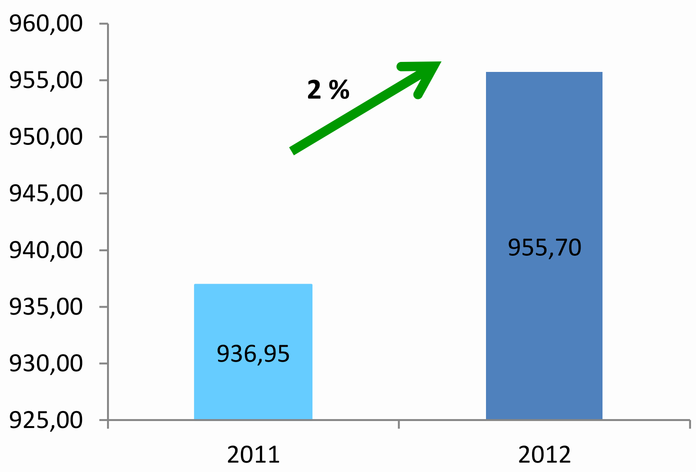
ASTURIAS AREA



GADIS

green seed
where brands grow

Turnover million eur

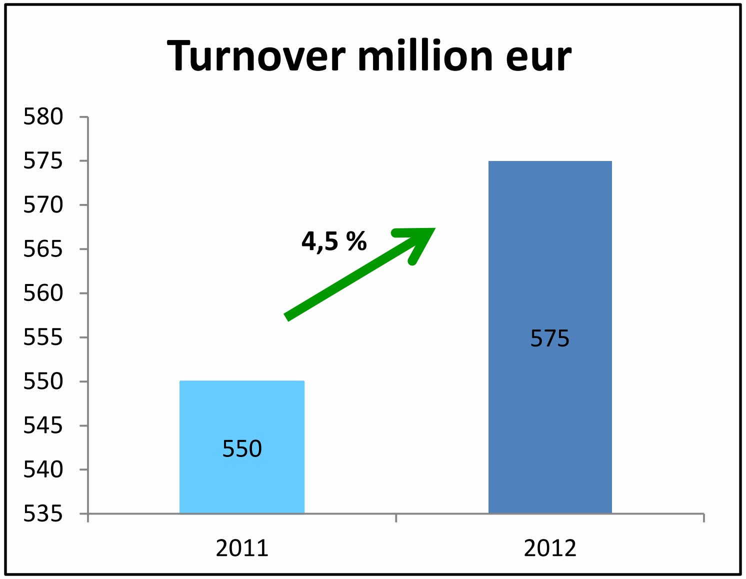


Employees	6.309
Nº shops	366
000's m2	221.815
Logistic platforms	10

GALICIA AREA

Supermercados COVIRAN

green seed
where brands grow

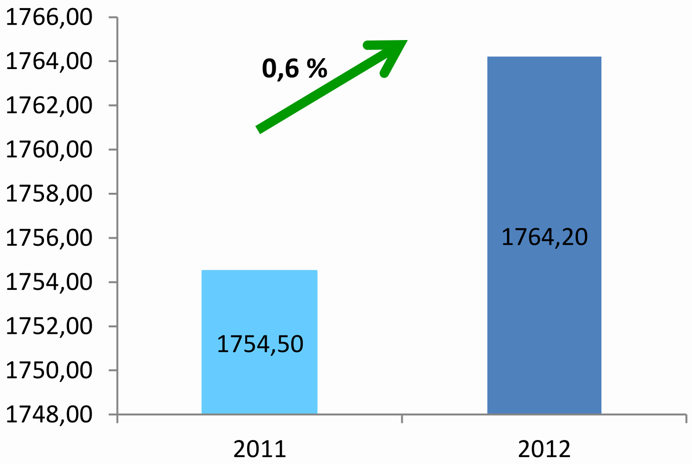


Employees	10.290
nº shops	2.292
000's m2	439.347
Logistic platforms	30

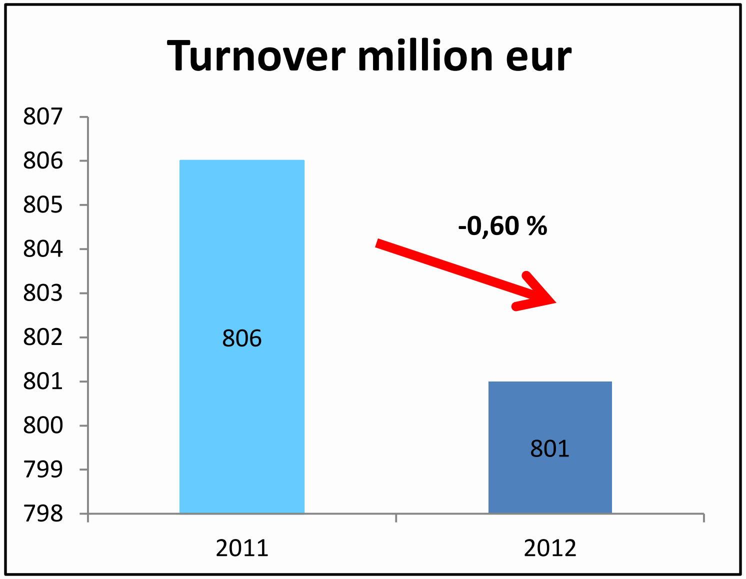
ANDALUCIA AREA

MEDITERRANEAN AREA

Turnover million eur



Employees	10.440
nº shops	605
000's m2	455.599
Logistic platforms	10



CATALUÑA AREA

Employees	5.193
nº shops	409
000's m2	183.630
Logistic plarforms	5

Vlaanderen
Federatie Voedingsindustrie

FOOD SERVICE Channel-Highlights

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- **High Fragmentation:**
- 250.000 outlets recognised by Nielsen to 350.000 controlled by FEHR

- **Almost 95% of the sector is handled by individuals or family owned businesses:**
  - → **Bars and cafeterias**
  - → **Restaurants**
  - → **Hotels**

- **Route-To-Market-Distribution environment dominated by local/regional players**
  - Food wholesalers
  - Specialised distributors
  - Agents, intermediates, brokers, etc.

- **Heavy pressure on margins: increase of Private Label brands, cooking solutions, ready to serve products, flexible working patterns, etc.**

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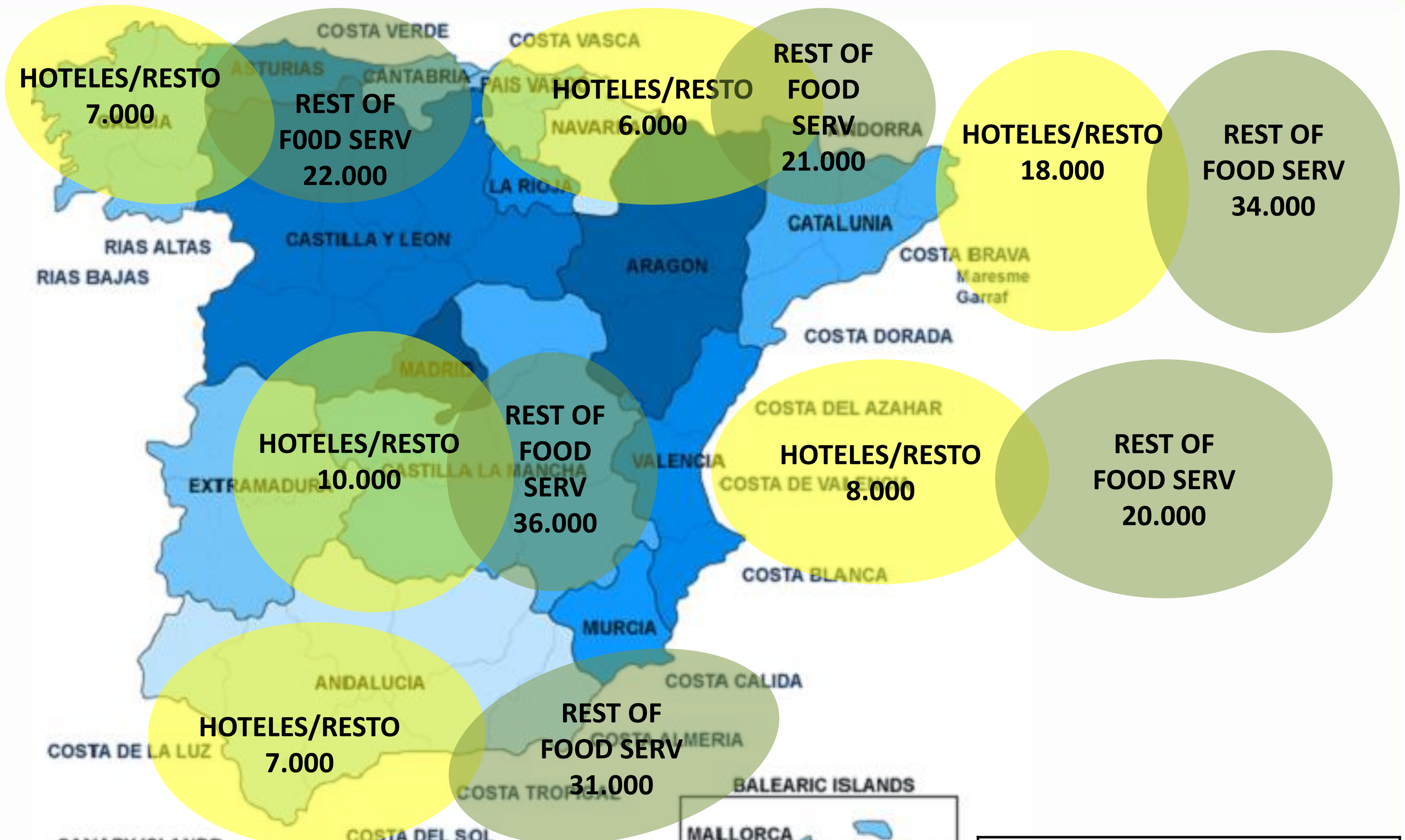
Federatie Voedingsindustrie

Source: Nielsen,Alimarket, Aral, MAPA

FOOD SERVICE-Regional Nr. Of Outlets



TOTAL SPAIN	
HOTELS/RESTO	56.000
REST OF FOOD SERV	164.000

Source: NIELSEN

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Federatie Voedingsindustrie

FOOD SERVICE Channel-Structure

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The Universe of the Fragmentation

Food service universe (Consensus of different sources)

		Nr Of outlets	Of which Organised	% nr vs tot	% vs purchas
BARS		175.000	8.000	58%	44%
RESTAURANTS		70.000	5.000	23%	33%
PUBS & DISCOS		25.000	1.000	8%	5%
HOTELS		17.000	7.000	6%	11%
COLECTIV.		13.000	3.000	4%	7%
	TOTAL	300.000	24.000	100%	100%

Number of outlets very stable in last five years but number of visits declining to less than 7.000 million

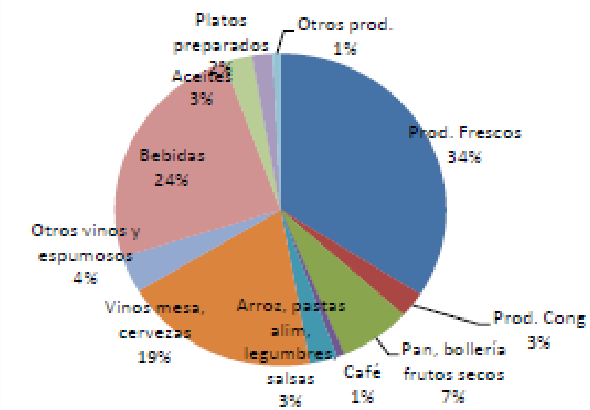
Weight of purchases by categories

Kilos per cápita en Horeca(evolución)

	2005	2010	Evol
Prod. Frescos	84,42	60,48	-28%
Prod. Congelados	1,15	4,69	307%
Pan, bollería frutos secos	14,81	12,46	-16%
Café	2,25	1,33	-41%
Arroz, pastas alim, legumbres, salsas	3,84	4,79	25%
Vinos mesa, cervezas	50,55	34,04	-33%
Otros vinos y espumosos	10,01	6,79	-32%
Bebidas	47,64	43,18	-9%
Aceites	7,46	4,89	-34%
Platos preparados	1,13	3,54	213%
HORECA+inst.	226,81	177,49	-22%

Fuente: Elaboración propia en base a OTE-El Indice K-2012 y MAGRAMA.

Productos que se consumen. HORECA 2010



FI
Federatie Voedingsindustrie

Source: Nielsen,Hostamarket, MAPA

FOOD SERVICE Channel- Organised

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Restaurants-The Big Four

1500 outlets

Fast Food-The Big Four

2050 outlets

Hotels-The Big Four

950 outlets

Restaurants-Others Organised

- ✓ CASUAL BEER-GAMBRINUS
- ✓ Comess Group
- ✓ RESTAURAVIA
- ✓ Grupo Tragaluz

Fast Food-Others Organised

- ✓ AREAS
- ✓ DOMINOS PIZZA
- ✓ KFC

Hotels-Others Organised

- ✓ AC Hotels
- ✓ IBEROSTAR
- ✓ HOTUSA

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Source: Nielsen,Hostelmarket,

FOOD SERVICE Channel- Restaurants Profiles

The Big Four

ZENA

Grupo VIPS

Restalia
GRUPO DE RESTAURACION

Grupo Rodilla

Source: Nielsen,Hostamarket, MAPA

FOOD SERVICE Channel- Restaurants Profiles

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Grupo VIPS

	2011	2012
Group Total Sales M euros	337,67	317,73
Nº Restaurants	312	303
Employees	9.819	8.766

ZENA

	2011	2012
Group Total Sales M euros	404	400
Nº Restaurants	474	476
Employees	7.000	7.000

Federatie Voedingsindustrie

FOOD SERVICE Channel- Restaurants Profiles

Grupo Rodilla

	2011	2012
Group Total Sales M euros	78,80	73,70
Nº Restaurants	211	193
Employees	1.000	925

Restalia

	2011	2012
Group Total Sales M euros	125	146
Nº Restaurants	218	294
Employees	4.000	4.700

IMPULSE & CONVENIENCE Channel-Highlights

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where brands grow

- **High Fragmentation:**
- 120.000 outlets recognised by Nielsen and other Panels
- Of which: 30.000 tradit. Mum& pap, 30.0000 bread and bakeries and 26.000 kiosks

- **Main products offered:**
  - 30% bread and bakery
  - 30% snacks and dry fruits
  - 20 % sweets
  - 10 % drinks

- **Around 98% of the sector is handled by individuals or family owned businesses. Organised structures started only in 2011 (Granier, Valpan, etc.)**

- **Route-To-Market-Distribution environment dominated by local/regional players up to 700+**
  - Food wholesalers
  - Specialised distributors
  - Agents, intermediates, brokers, etc.

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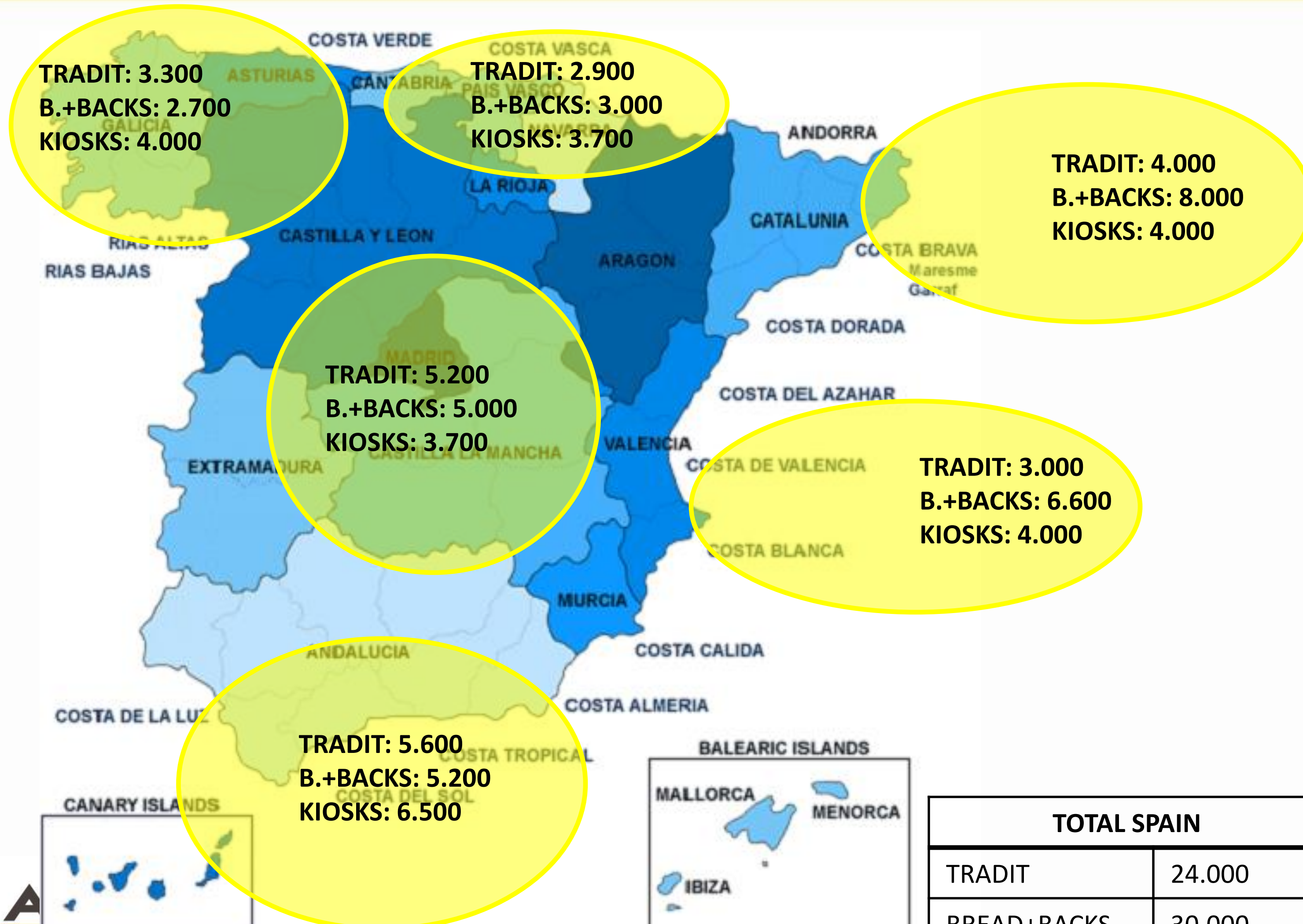
Federatie Voedingsindustrie

Source: Nielsen,Alimarket, Aral, MAPA

IMPULSE & CONVENIENCE-Regional Distribution



TOTAL SPAIN	
TRADIT	24.000
BREAD+BACKS	30.000
KIOSKS	26.000

Vlaanderen
Federatie Voedingsindustrie

Source: NIELSEN

IMPULSE & CONVENIENCE- Profile of RTM

green seed
where brands grow

Route-To-Market-Distribution environment dominated by local/regional players up to 700+

- Food wholesalers
- Specialised distributors
- Agents, intermediates, brokers, etc.

Lekkerland
the convenience company

Logista

DonPin

SACOBI,S.A.
golosinas

El Rincón®

FEVIA
Vlaanderen
Federatie Voedingsindustrie

Source: Nielsen,Alimarket, Aral, MAPA

SPAIN FOOD CONSUMPTION

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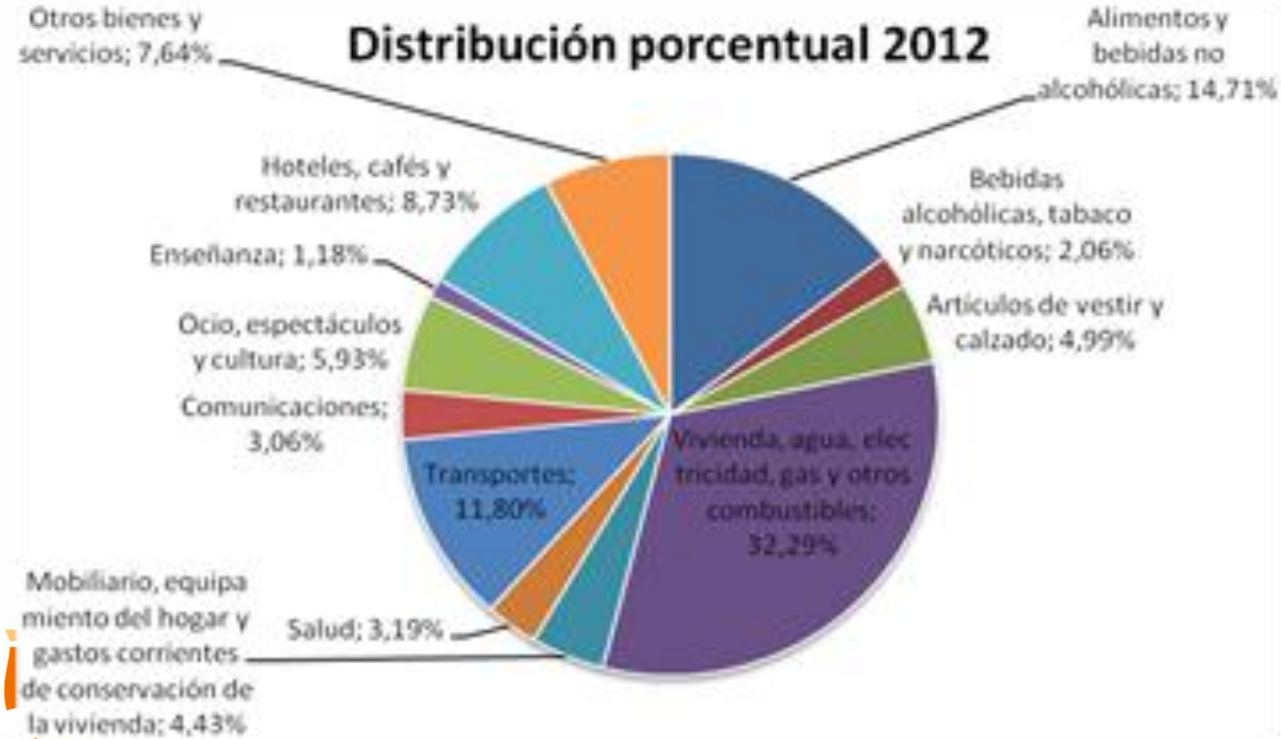
SPAIN FOOD CONSUMPTION

- **Food and Drinks Consumption in Spain represents (2012) <u>25 % of total</u> households spending**
  - **16,77 % at home**
  - **8,73% out of home**



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Federatie Voedingsindustrie

SPANISH FOOD CATEGORIES CONTEXT

MAIN FOOD CATEGORIES:

- Meat and Fish is number one with 761 eur/per cap. or 35% som
- Fruit and vegs. 2nd with 369 eur/cap or 17 % som
- Dairy 3rd with 261 eur/cap or 12 % som
- Bread is 4th with 109 eur/ cap or 5% som

SOURCING ORIGIN:

- 75% manufactured inland
- 25% imported of which 52% from EU

Federatie Voedingsindustrie

Source: Nielsen,Alimarket, Aral, MAPA

SPANISH FOOD CONSUMPTION

2012

- 100.678 million €

TOTAL

67%

- 67.634 million €

Household

+0,2%

33%

- 33.044 million €

Out-home

-4,1%

2.190 € PER CAPITA SPENDING AMOUNT

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Federatie Voedingsindustrie

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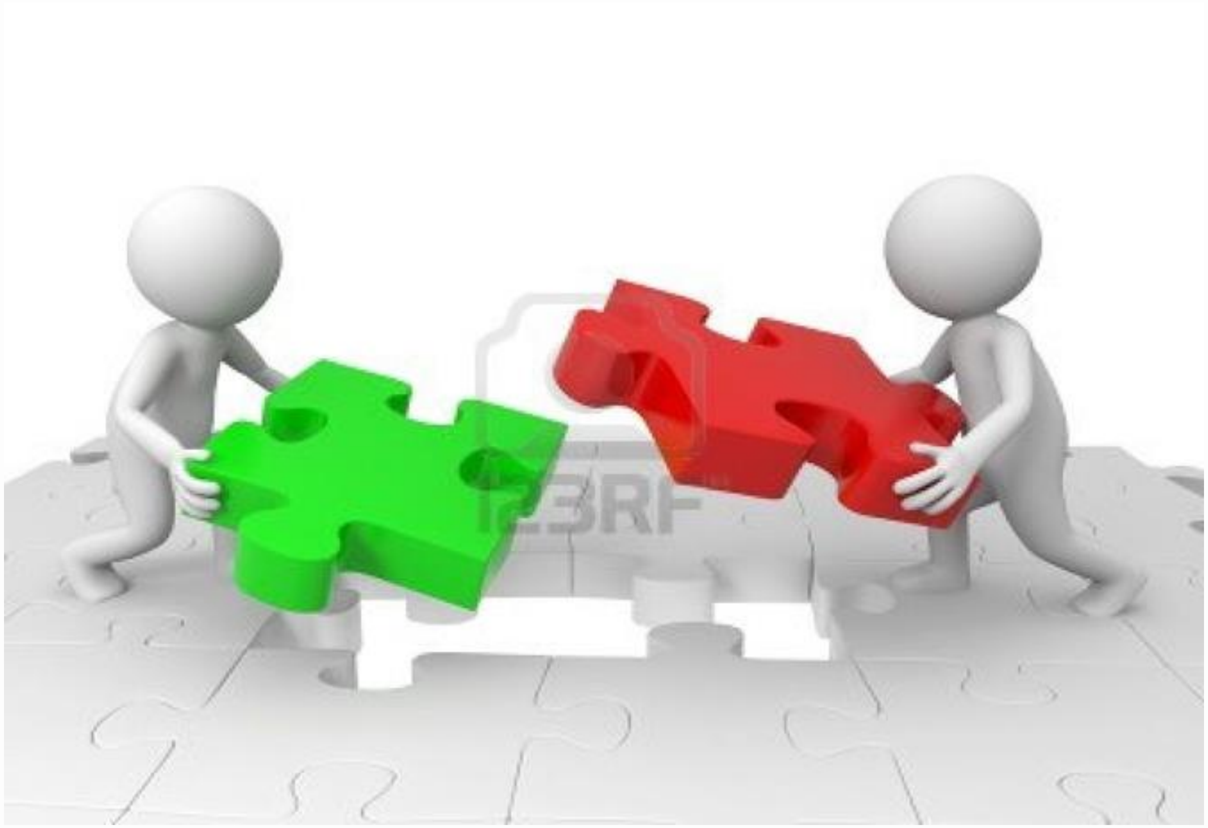
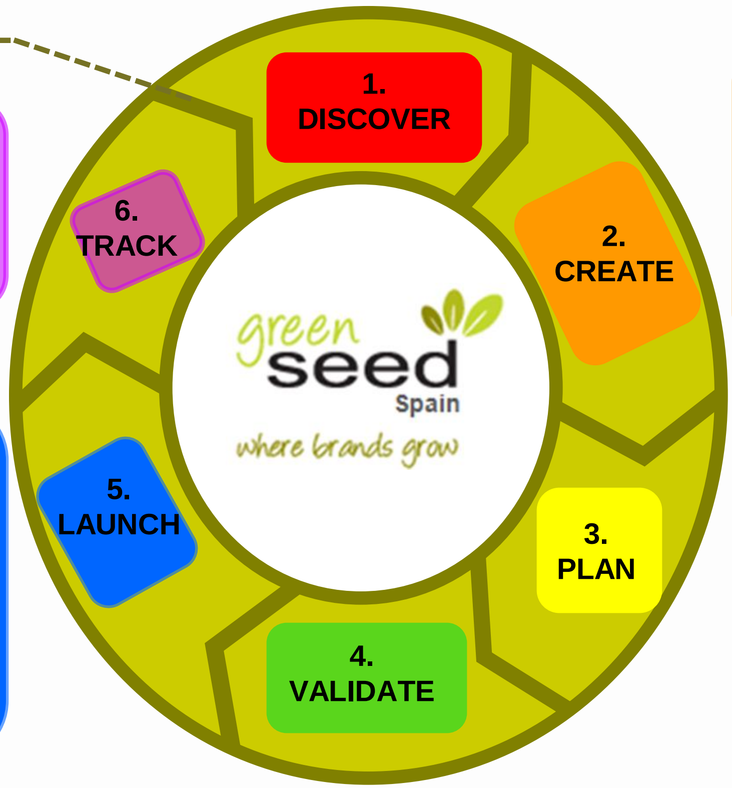
SPAIN MARKET ENTRY PROCESS



Market Entry Process

1. DISCOVER:
- Conduct Opportunity Assessment to provide an overview of the category in Spain and assess the size of the market opportunity for products and brands.
- Provide Route to Market Overview to outline the Spain retail and supply chain structure and begin to determine what is the optimal route to market.

6.TRACK:
- Provide analysis of monthly/quarterly consumption and sales data for fact-based selling tools and management review.



2. CREATE:
- Evaluate product concept for Spain market, based on Opportunity Assessment findings.
- Identify Spain based pack design agencies, if required, and brief and manage design process to establish packaging and Spain proposition.

3. PLAN
- Recommend **Market Entry Strategy** including product proposition, price, range, channel strategy. Provide detailed rollout plan including **Partner Search,** retailer recommendations, sales & profitability projections.

5. LAUNCH:
- Provide Sales Account Management and Marketing Execution. Act as in-market Sales & Marketing team to ensure smooth launch and drive on going growth and profitability through effective account management, trade and consumer marketing activities and business management.

4. VALIDATE
- Conduct Qualitative or Quantitative Research to validate product proposition with Spain consumers and understand category need gaps and opportunities. Understand consumer usage and attitudes, shopper behavior, price elasticity, communication elements

Suggested Market Entry Process (1)

- Discover the opportunity through questioning how we do business in Spain: “Fragmentation of trade”, “Regional vs. National”, buyers singularities, consumers usages and habits, etc.

- Identify final opportunities / business potential for Manufacturers assortment:
    1. Category assessment: access to IRI/Nielsen back data (total market by segment) + key retailers at SKU level
    2. Finetuning of product assortment for Spanish market: suitability of total product proposition (consumer research?)
    3. Possible strategy by retailer
    4. Special analysis for ON-Premise

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Suggested Market Entry Process (2)

- Identify final opportunities / business potential for Brand Owner assortment (continuation):
  5. Business Plan- Recommendation for Market Entry Strategy
     a) *Branded or Own Label (versus Brand)*
     b) *Concept (& price) Positioning*
     c) *Target Retailers / Accounts and nr of shops – exclusivity*
     d) *Suggested Range per Account*
     e) *Sales forecast potential*
     f) *Logistics & distribution and Packaging (retailer trays etc) requirements*
     g) *Pricing (RSP, margin, buying price) and Promotional (budget) requirements*
     h) *Timing & Investments*
  6. Final GO/ NO GO
- Trade Presentations & Trade meetings
- Set – up supply chain + back office preparation (EDI/GS1DAS/ exchange of product data)
- Launch + ongoing account management / category management

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Next steps—General discussion

- Spain Market fundamentals clarification
- Entry process. Main steps

Next steps

THANK YOU !!

We look forward to helping grow your business

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There is no better than adversity.
Every defeat, every heartbreak,
every loss, contains its own seed,
its own lesson on how to improve
your performance the next time.
Malcolm X

ADDENDUM

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ADDENDUM -1-

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GREEN SEED SPAIN

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Federatie Voedingsindustrie

Biography- Antonio Obieta

PERSONAL DATA

Birth date: 2nd February, 1959
E-mail: antonio.obieta@gmail.com
Telephone: +34 609260889 Madrid

PROFESIONAL EXPERIENCE

GREEN SEED SPAIN : *An international group of experts in the Food and Drinks industry facilitating and supporting Companies in their developments abroad through advise, execution and delivery strategies.*

06/2013-Actual : Managing Partner

PROELZA and INTERNATIONAL WINE LINK : *A highly specialized group of profesionals dealing in the international Food and Wine industry who are facilitating and supporting Companies in their strategic developments and leveraging the implementation of new organizational strategies, new commercial and export strategies and ad-hoc projects.*

01/2007-Actual: Founding Partner

- Design and implementation of the Strategic Plan for the development in Asia of an import and distribution platform for french and spanish high end wineries (2013).
- Development and promotion of the Business Plan for a new wine Distributor in the USA.(2012)
- Start-Up Project for the introduction in the Spanish wine market of a USA Wine Group.(2012)
- Development and execution of the International Expansion Plans for Spanish and French Wineries.(2011-2013)
- CEO for Avanteselecta (2009 – 2011)- Wine, food and distribution Company with four main areas of span: Wine (main brands: Dominio de Atauta, Naia, Nora, Obalo, etc.), cheese, olive oil and other selected products.
- CEO for Bodegas PROTOS (2008-2009)- Leader Winery in Ribera del Duero región with export markets in more than 75 countries.
- Design and Implementation of Strategic Plans in Grupo Caballero (Lustau, Fino La Ina, Viña Herminia Wines and liquors) (2008)
- Member of the Advisory Board at Grupo Caballero and Grupo Atisa (BPO).(2007-2013)

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SCHWEPPES and ORANGINA GROUP (CADBURY SCHWEPPES): *Soft Drinks multinational*

1989-2007: Executive President (Spain and Portugal)

- Leadership of the Management Commitee
- Design and execution of Strategic Plan and Annual Budgets.
- Company, Brands and Employees Growth Strategies (1.100 employees, 1500 distributors and 8 factories).
- EBITDA margin growth of + 56% and Sales growth of +7%.
- Acquisition and integration of La Casera.
- Enhancement of HORECA channel as strategic pilar of Company growth
- Brands and Innovation developments.

Main Responsabilities en Schweppes Group:

2003 - 2006	- President. Schweppes Group (Spain and Portugal) - Finance and Strategy Director of European Beverages-Cadbury Schweppes (based in París and London) - CFO- Orangina Group (based in París)
2001 - 2003	- CEO of Cadbury Schweppes Bebidas de España
1998 - 2001	- General Manager-- Grupo Schweppes, S.A.
1994 - 1997	- Finance Director-- Grupo Schweppes, S.A. - Board member of Grupo Schweppes SA - President of the Board—Citresa (Schweppes Group)
1991 - 1993	- Administration Director-- Grupo Schweppes, S.A.
1989 - 1991	- Treasury Manager-- Grupo Schweppes, S.A.

TREASURY AND PLANNING MANAGER GRUPO KOIPE: ***Spanish Leading Company in Vegetable and Olive Oil.***

1983-1988

EDUCATION

Law Degree-Licenciado en Derecho Universidad Autónoma de Madrid (1981)
Master en Finance and Business Admin Universidad de Deusto (1987)
General management Programme Gustav Kaeser Internacional (1992)
Executive Development Programme Insead - Fontainebleau (1995)

LANGUAGES

Spanish: native.
English: fluid.
French: fluid.
Italian: basic.
Portuguese: basic.

GREEN SEED SPAIN—OUR CLIENTS

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Constellation Wines U.S.
A CONSTELLATION COMPANY

TREASURY WINE ESTATES

Schweppes

Koipe

The Dormen Food Compa

VC² BRANDS

ORANGINA with orange pulp!

Quorn
A PREMIER FOODS Compa

Cadbury

Mostell

ITALPIZZA Made in Italy

Protos
SER PRIMERO

SelecMardis
Alta calidad gastronómica

TETLEY'S

F
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LMC
Livestock & Meat Commission

FEVIA
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Fédération de l'Industrie Alimentaire

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GREEN SEED SPAIN-Our Services

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1. Market Research

- Trade & Consumer Insight
- Opportunity Assessment
- Trends & Developments
- Scanner data& Focus Groups

2. Strategic Planning

- Market Entry Strategy
- Product Proposition Evaluation
- Sales & Profitability Projections
- Client Search & Introduction

3. Sales Execution

- Client introduction
- Distributors Selection
- Sales Strategy & Planning
- Key Account Management

4. Marketing Support

- Brand planning
- Trade & Consumer Promotion
- Events Mgmt &Public relations

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We Advise, We Execute & We Deliver

Green Seed SPAIN-Our expertise

- A team of experts **focussed on Food and Drinks** and results oriented
- Green Seed Spain is a team of highly knowledgeable people, with expertise in Market Intelligence, Consumer Insights and Trade dynamics. **Gourmet Marketing** and Food **sales execution** are on top of capabilities blended with extensive **trade contacts**
- GSSP has acted since 1991 as **facilitator** between food companies, industry bodies and the Spanish trade. A totally new team since September 2013
- GSSP acts as **local** Sales & Marketing **office** on behalf of international suppliers

Green Seed SPAIN-Gourmet Marketing

Market knowledge

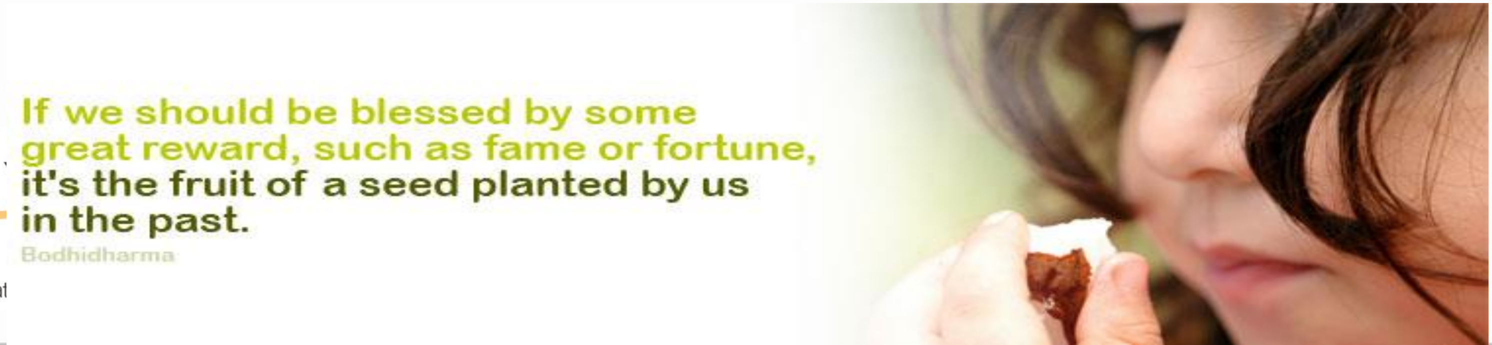
- GS Spain knows the market, thanks to its market intelligence services and trade buyers contacts both in Modern Trade and in Food Service. GS Spain understands the **needs from the trade** and the **aspirations of the consumer**
- Expertise in **matching different** business and consumer **cultures**: foreign suppliers on local Spanish market

→ **GS Spain** develops **creative** and **realistic** solutions

Experts in gourmet marketing

- Food and drink focus
- Vast retail experience. Both in Modern Trade as well as Food Service
- Consumer understanding
- Large variety of food & drink clients
- International exchange of information and ideas

→ **GS Spain** develops **effective** and **actionable** food and drink brands developments



Green Seed SPAIN- Sales Execution

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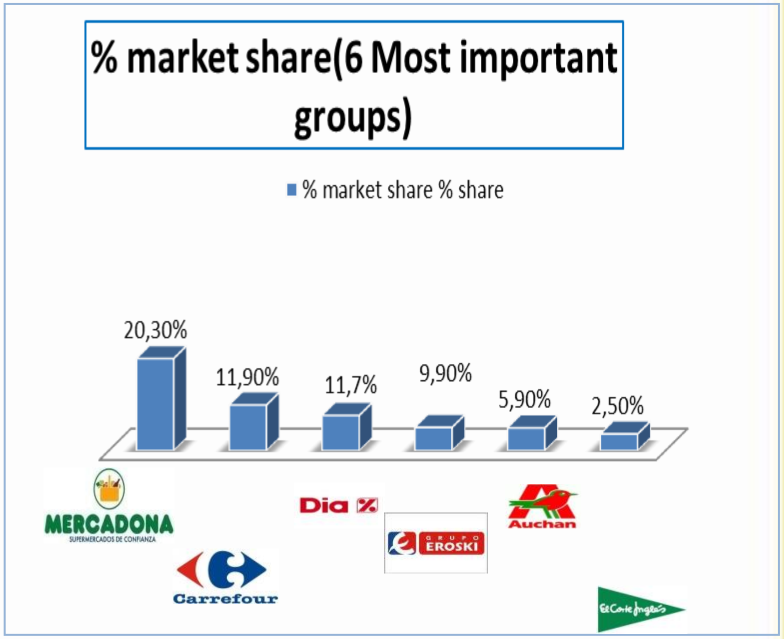
The Spanish Trade fragmentation

- GS Spain builds on the opportunity that offers a highly fragmented trade:
  - Consumption moments still divided 50% from in home (off-premise) versus out of home (on-premise)
  - Off premise fragmented:60 % of som in 6 players (Mercadona leading the pack—20% som)
  - On premise taking place in 250.000 outlets (Nielsen universe) served by 1000's distributors. Another 120.000 outlets in Impulse&Convenience
- We are specialised in the **different** trade formats

→ **GS Spain** develops **creative** and **effective** solutions for key accounts management and for Food Service penetration



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Green Seed SPAIN- Sales Execution

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Experts in Route-to- market, accounts planning, category management and sales follow-up

- We have extensive contacts with the numerous players in the distribution infrastructure for Food and drink deliveries and service
- Route-to-Market intrincacies and Buyers dynamics understanding. Negotiation experience
- Our Sales force attends and services (from order, promotions implementation, category follow-up, pricing… to cash) a large variety of food & drink clients: retailers, food service outlets and distributors
- Long and succesfull experience in managing Sales Forces

→ **GS Spain** develops **effective** and **actionable** food and drink sales enhancing developments

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ADDENDUM -2-

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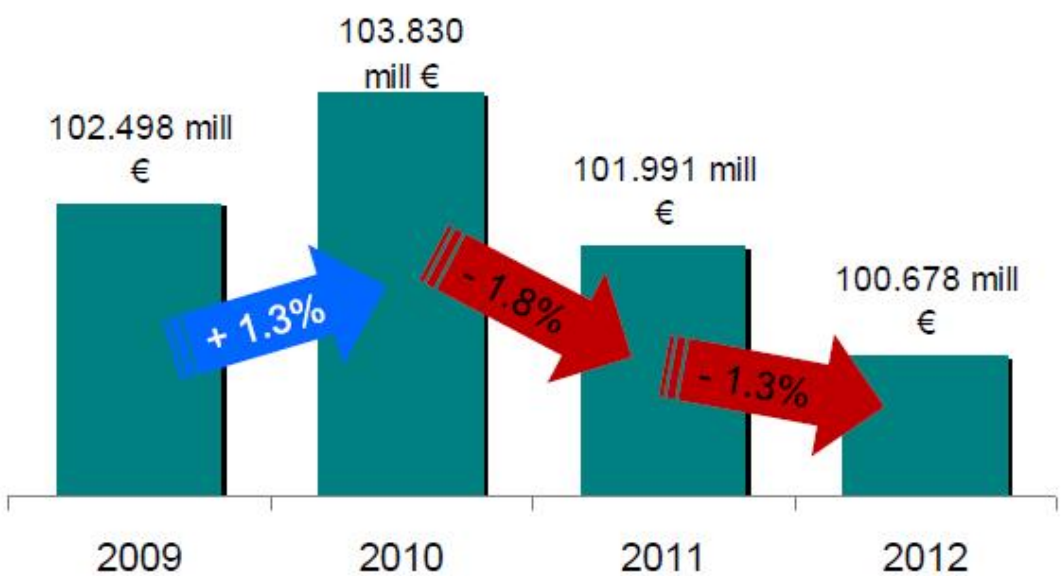
SPAIN FOOD CONSUMPTION BY CATEGORIES-Home and out of home

EVOLUCIÓN DATOS CONSUMO ALIMENTARIO EN EL HOGAR Y FUERA DEL HOGAR EN ESPAÑA

Evolución consumo

El consumo en hogares y fuera del hogar en 2012 disminuye en menor proporción que en el ejercicio anterior.



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SPAIN FOOD CONSUMPTION BY CATEGORIES-Home

DATOS CONSUMO ALIMENTARIO EN HOGARES EN ESPAÑA

2012

Gasto alimentario en hogares

67.634 millones €

+0,2% respecto a 2011

Distribución especializada	Distribución organizada
18.802,25 M€	48.831,75 M€

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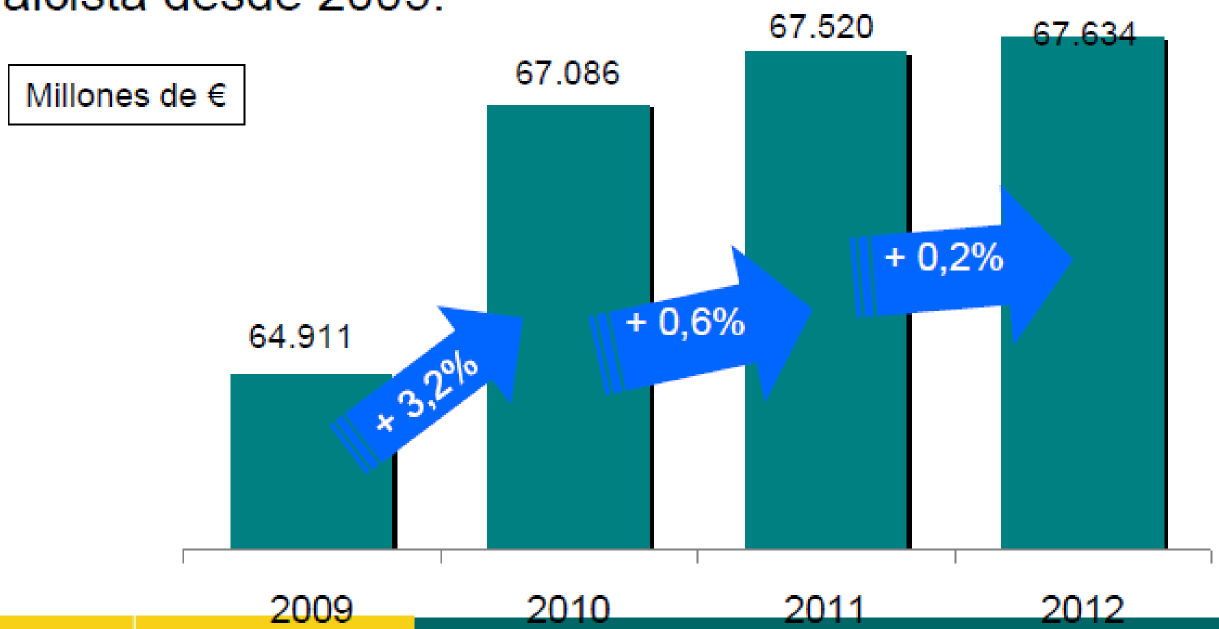
EVOLUCIÓN DATOS CONSUMO ALIMENTARIO EN HOGARES EN ESPAÑA

Evolución gasto

El consumo en hogares en 2012 continua con la tendencia alcista desde 2009.



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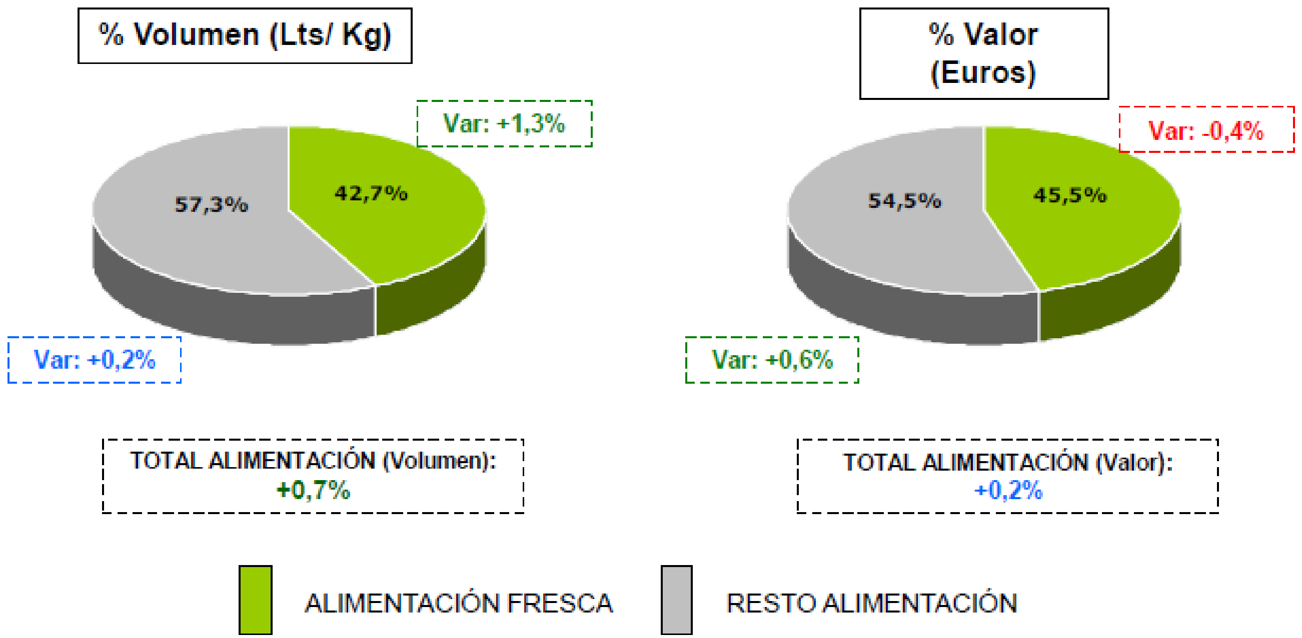
SPAIN FOOD CONSUMPTION BY CATEGORIES-Home

LOS PRODUCTOS FRESCOS CRECEN EL DOBLE QUE EL CONJUNTO DE ALIMENTOS

% PESO EN VOLUMEN (Kg./Lts) Y VALOR (€) DE **ALIMENTACIÓN FRESCA** AÑO 2012



* Alimentación Fresca= Frutas frescas, Hortalizas frescas (incl. Patatas frescas), Carnes frescas, Pescado fresco, Marisco/ Molusco fresco, Pan Fresco y Huevos

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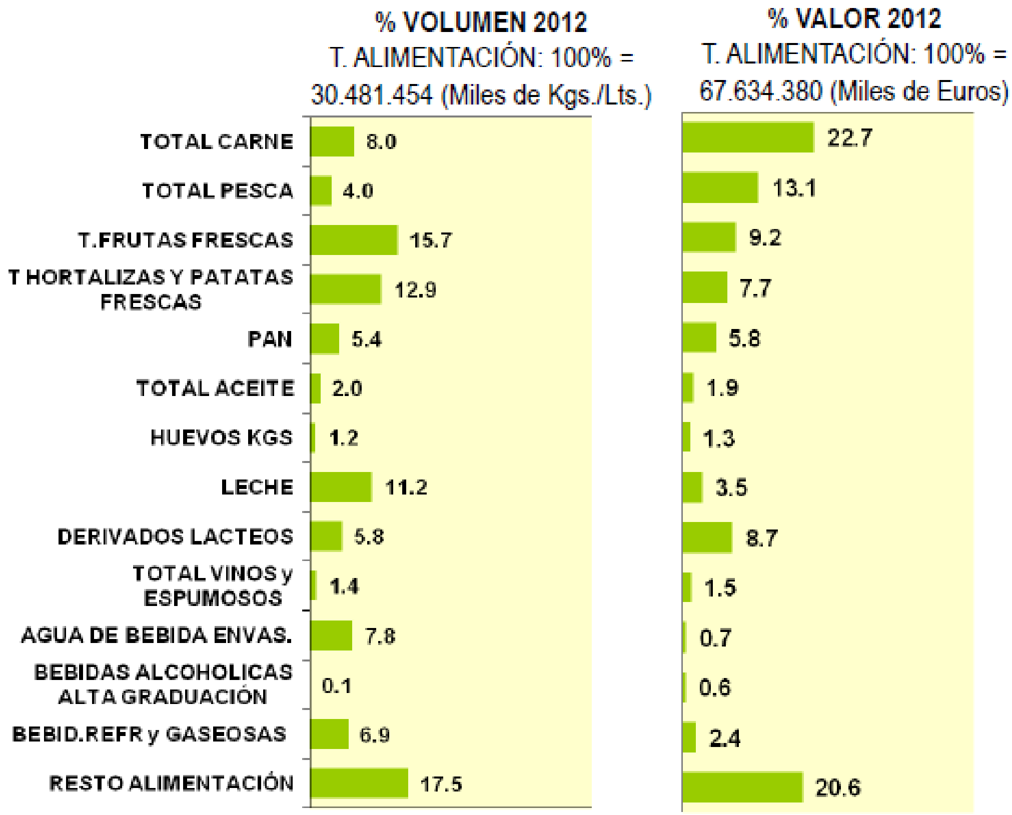
LA CARNE CONCENTRA MAYOR PRESUPUESTO DENTRO DEL HOGAR Y EN VOLUMEN LAS FRUTAS, HORTALIZAS Y PATATAS FRESCAS



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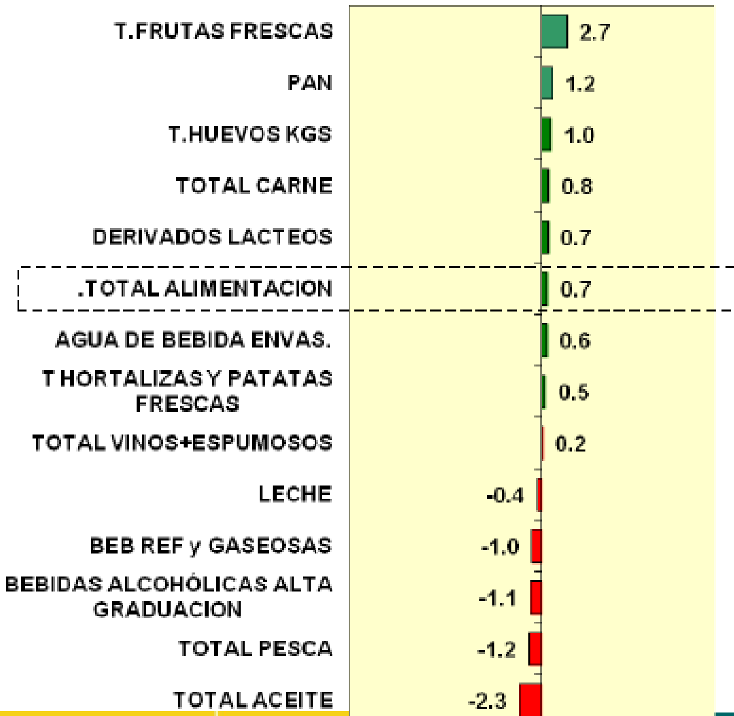
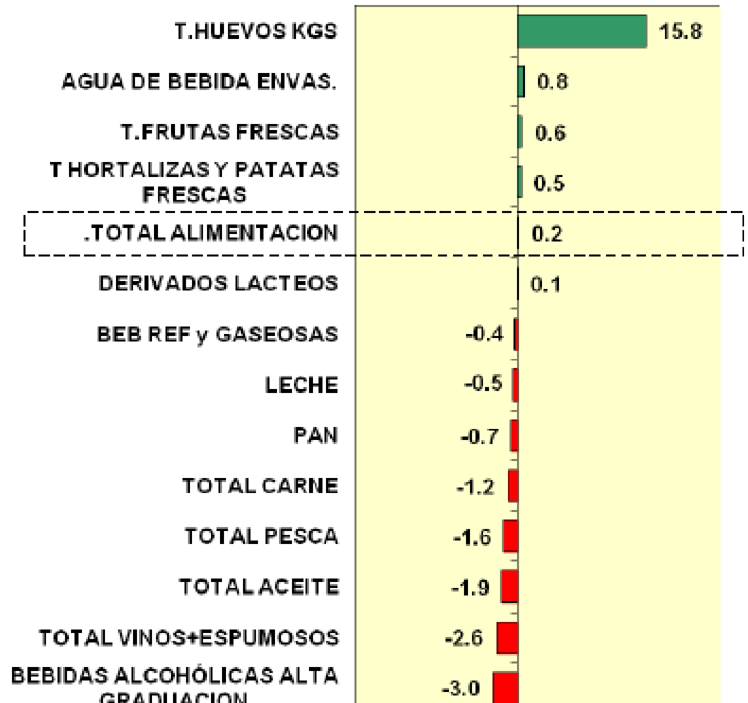
CRECE EL CONSUMO EN EL HOGAR DE ALIMENTOS DE PRIMERA NECESIDAD

% EVOLUCIÓN DE LOS PRINCIPALES ALIMENTOS CON RESPECTO AL AÑO ANTERIOR DEL **VOLUMEN** (KILO/LITROS)- AÑO 2012 vs 2011



% EVOLUCIÓN DE LOS PRINCIPALES ALIMENTOS CON RESPECTO AL AÑO ANTERIOR DEL **GASTO** (EUROS)- AÑO 2012 vs 2011



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SPAIN FOOD CONSUMPTION BY CATEGORIES-Home

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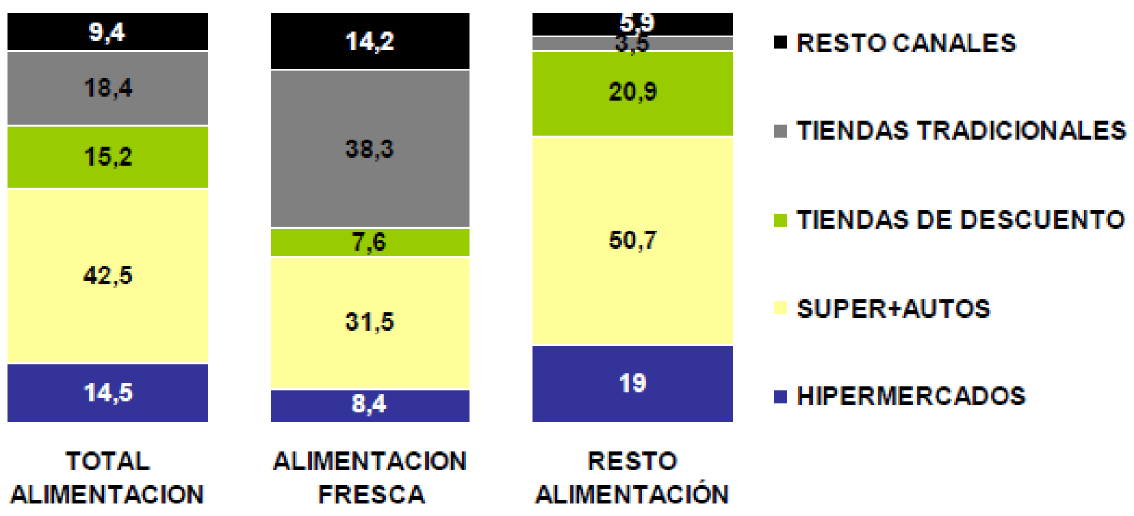
LA TIENDA TRADICIONAL ES EL CANAL PREFERIDO PARA LA COMPRA DE FRESCOS, SUPERMERCADOS Y TIENDAS DE DESCUENTO PARA ENVASADOS

% Cuota de mercado de los canales de compra en Volumen. 2012



* Tiendas Tradicionales = Tienda Tradicional, Panadería, Carnicería/Charcutería, Pescadería, Tienda de Congelados, y Mercados y Plazas

* Resto Canales = Autoconsumo, Mercadillos y otros.

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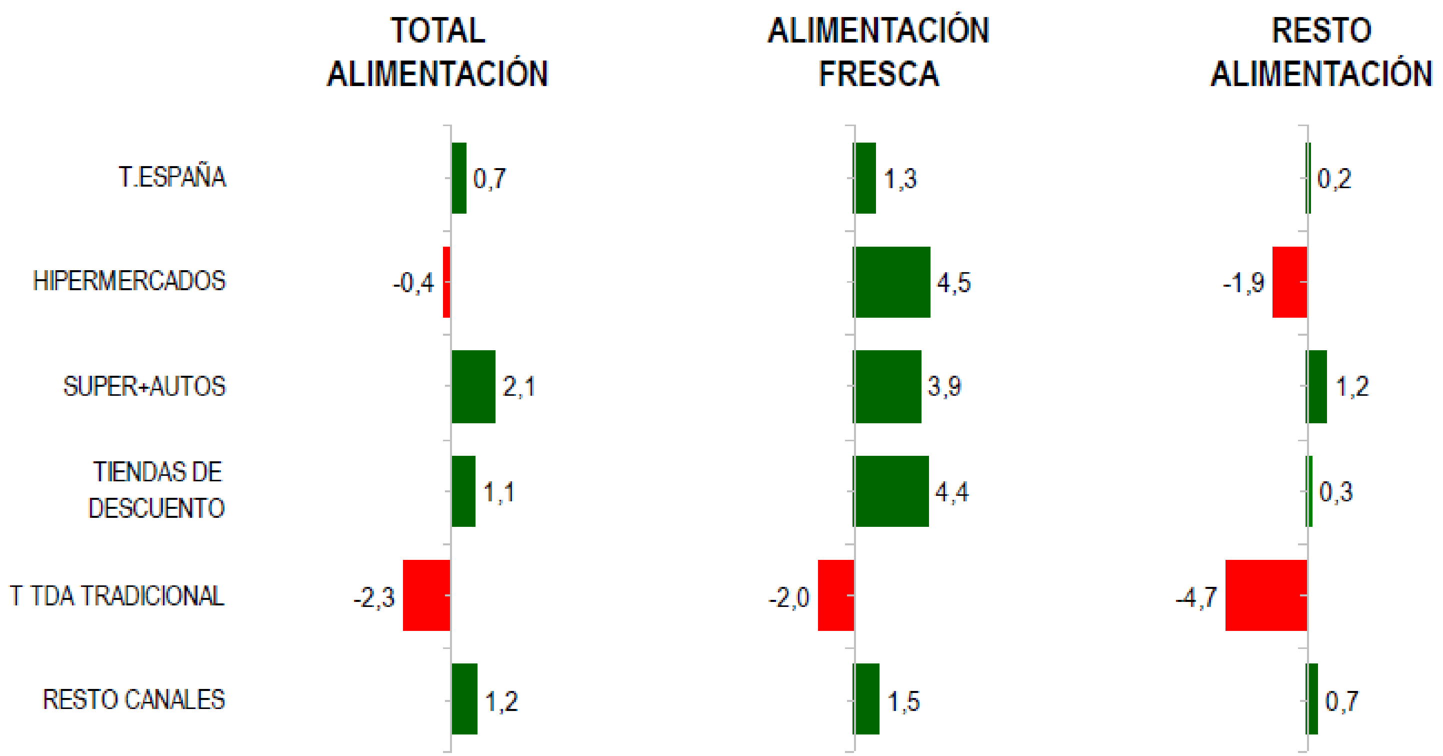
IMPORTANTE INCREMENTO DE LOS CANALES DINÁMICOS EN LA COMPRA DE FRESCOS

% Evolución Volumen (2012 vs 2011)



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POR PRIMERA VEZ DESDE 2004 EL PRECIO ES EL FACTOR PRINCIPAL A LA HORA DE DECIDIR UN ESTABLECIMIENTO

Factores que deciden la elección de un determinado establecimiento para la compra de productos de alimentación.

Histórico 2004 - 2012

	Factores que determinan la elección de un establecimiento (%)	2004	2005	2006	2007	2008	2010	2011	2012
2	Calidad de productos	57,3	54,2	54,0	56,0	62,1	67,2	66,7	51,9
3	Proximidad/Cercanía	60,7	57,5	54,8	52,2	44,3	45,1	40,4	50,9
1	Buenos precios, aparte de ofertas	39,5	36,7	35,3	34,1	55,5	58,3	59,3	62,7
	Atención al cliente	23,7	23,9	24,7	22,1	19,4	24,5	25,3	34,9
	Variedad de productos	28,7	32,1	28,4	24,2	23,1	28,7	28,0	21,9
	Buenas ofertas	23,2	25,5	23	20,4	20,4	20,2	14,6	17,5

(*) Resultados ordenados según columna 2012.
(**) Resultados histórico 2004 – 2010: Resultados Anuales "Observatorio del Consumo y la Distribución Alimentaria".
(***) Resultados 2011: Resultados Agregados "Observatorio del Consumo y la Distribución Alimentaria" + "Barómetro del Clima de Confianza del Sector Agroalimentario – Monográfico Consumidores 4º Trimestre".
(****) Resultados 2012 – Resultados Barómetro del Clima de Confianza del Sector Agroalimentario 4º Trimestre 2012

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Fuente: Barómetro del Clima de Confianza del Sector Agroalimentario 4º Trimestre 2012

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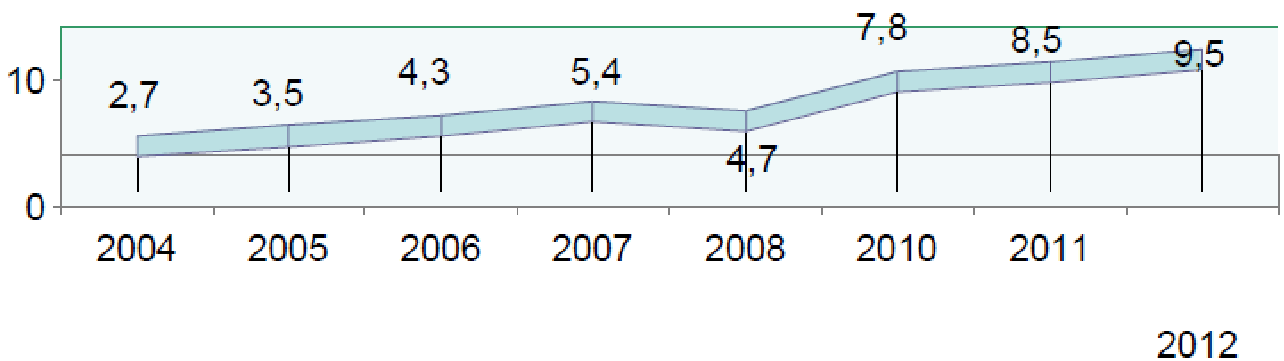
AUMENTA LA COMPRA DE PRODUCTOS A TRAVÉS DE INTERNET UN PUNTO PORCENTUAL RESPECTO AL AÑO 2011

Ha comprado alguna vez productos de alimentación a través de internet



(*) Resultados histórico 2004 – 2010: Resultados Anuales "Observatorio del Consumo y la Distribución Alimentaria".
(**) Resultados 2011: Resultados Agregados "Observatorio del Consumo y la Distribución Alimentaria" + "Barómetro del Clima de Confianza del Sector Agroalimentario – Monográfico Consumidores 4º Trimestre".
(***) Resultados 2012 – Barómetro del Clima de Confianza del Sector Agroalimentario – 4º Trimestre 2012

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Fuente: Barómetro del Clima de Confianza del Sector Agroalimentario 4º Trimestre 2012

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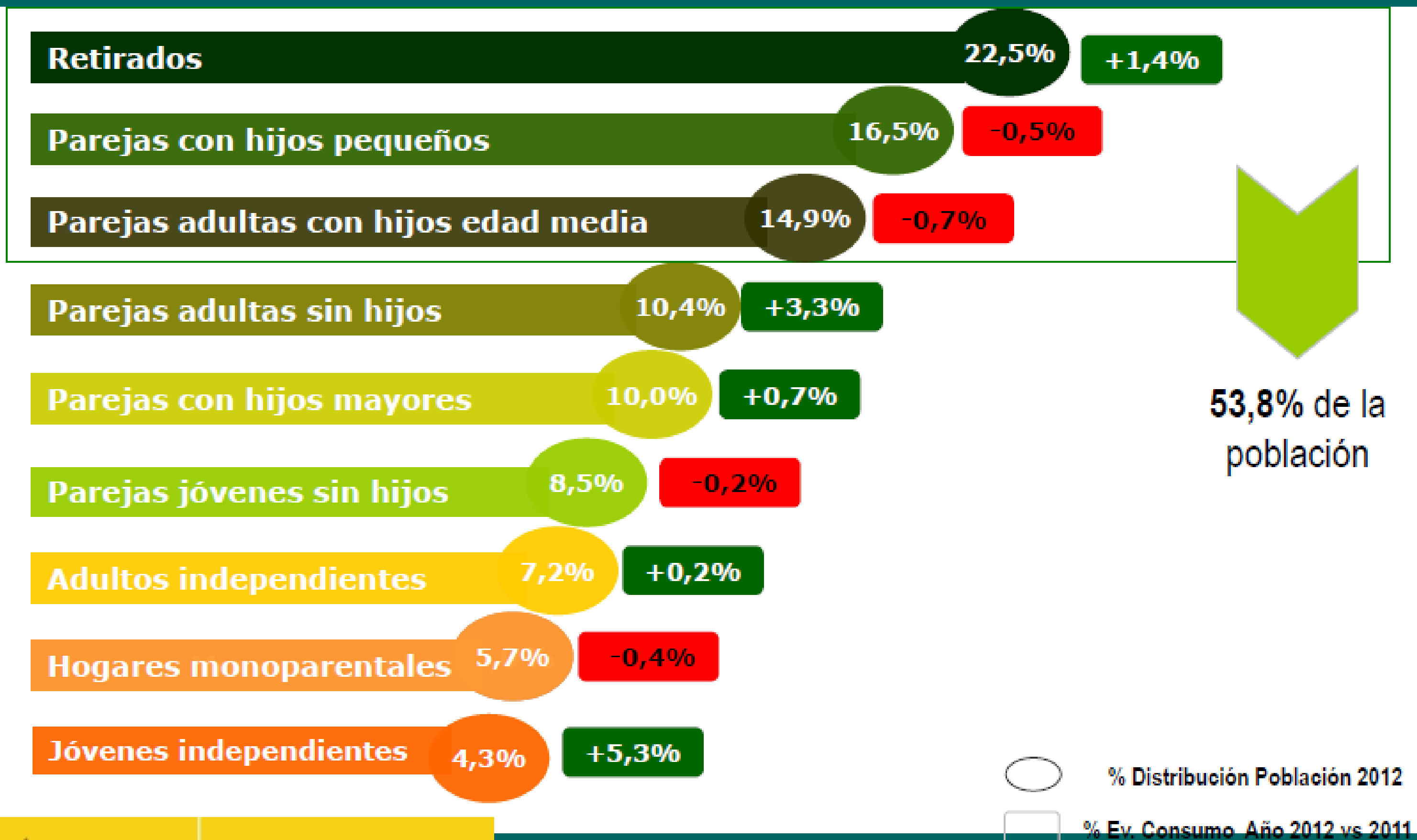
DESCIENDE EL CONSUMO DE LOS HOGARES CON HIJOS. LOS RETIRADOS, LAS PAREJAS SIN HIJOS Y LOS JÓVENES INDEPENDIENTES IMPULSAN EL SECTOR



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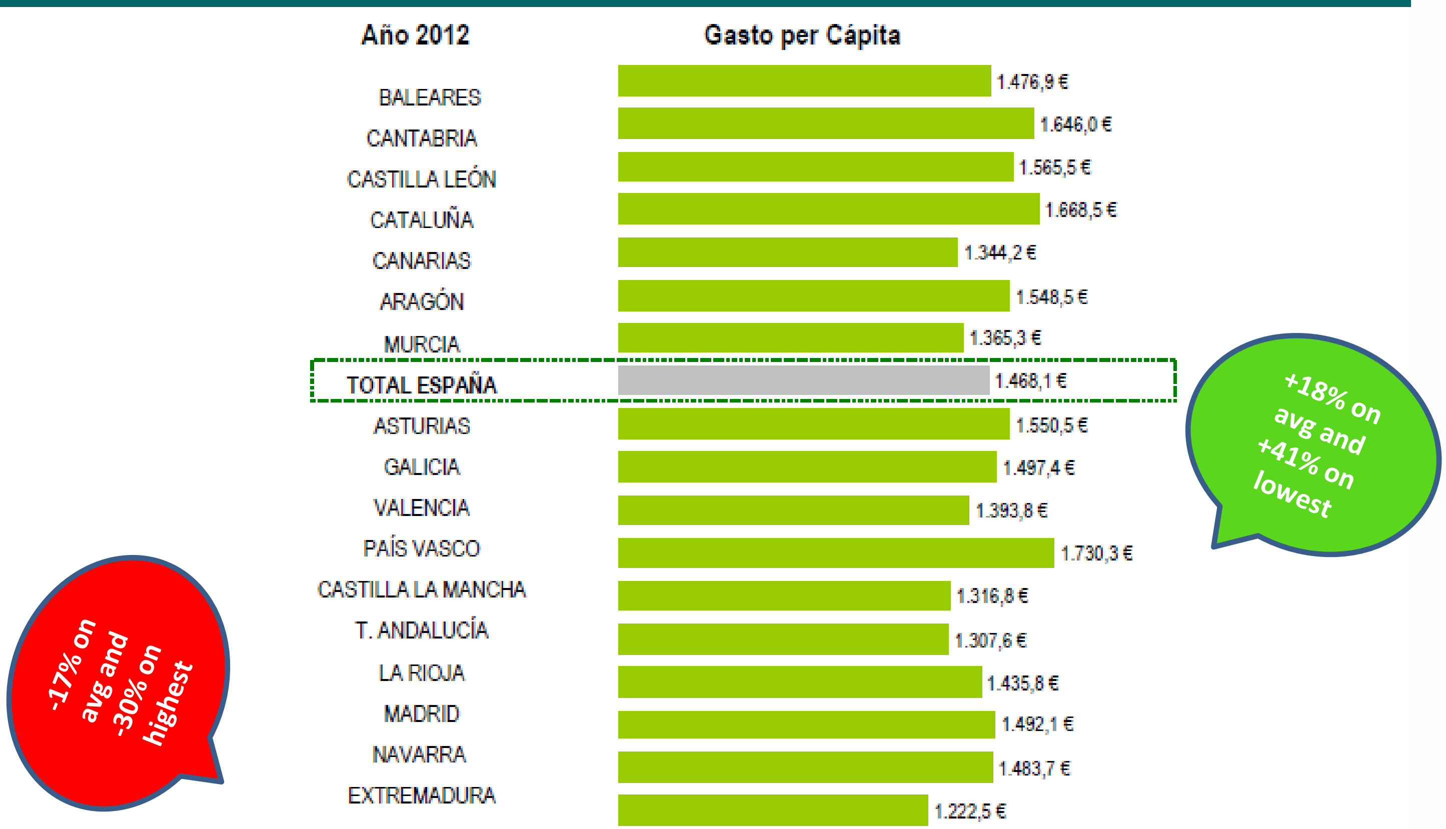
GASTO PER CÁPITA EN ALIMENTACIÓN REALIZADO POR LAS COMUNIDADES AUTÓNOMAS



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Panel de Hogares 2012

SPAIN FOOD CONSUMPTION BY CATEGORIES-Out of home

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DATOS CONSUMO ALIMENTARIO EXTRADOMÉSTICO EN ESPAÑA

2012

Total gasto

33.044 millones €

-4,1% respecto a 2011

4,84 euros
de ticket medio por comensal

-1,2 % respecto a 2011

6.831 millones
de visitas al sector de la restauración

-2,9% respecto a 2011

Establecimientos de autoservicio, servicio rápido o en barra 10.160 M €	Restaurantes con servicio de mesa 16.290 M €	Máquinas, hoteles, transporte, ocio nocturno, conveniencia, 6.592 M €

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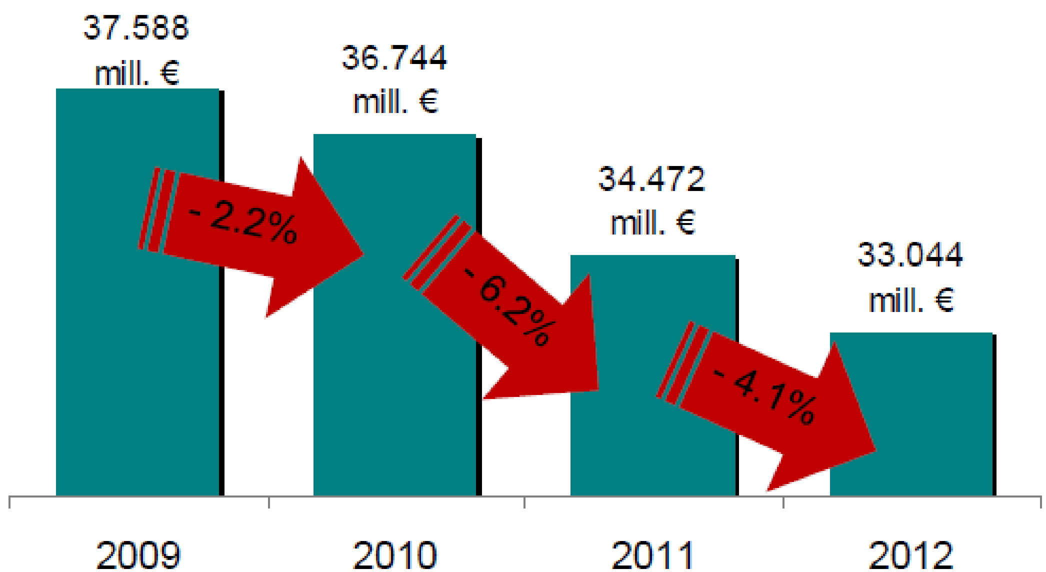
DATOS CONSUMO ALIMENTARIO EXTRADOMÉSTICO EN ESPAÑA

Evolución gasto

El consumo extradoméstico reduce la cifra de ventas durante los últimos ejercicios



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SPAIN FOOD CONSUMPTION BY CATEGORIES-Out of home

SPAIN FOOD CONSUMPTION BY CATEGORIES-Out of home

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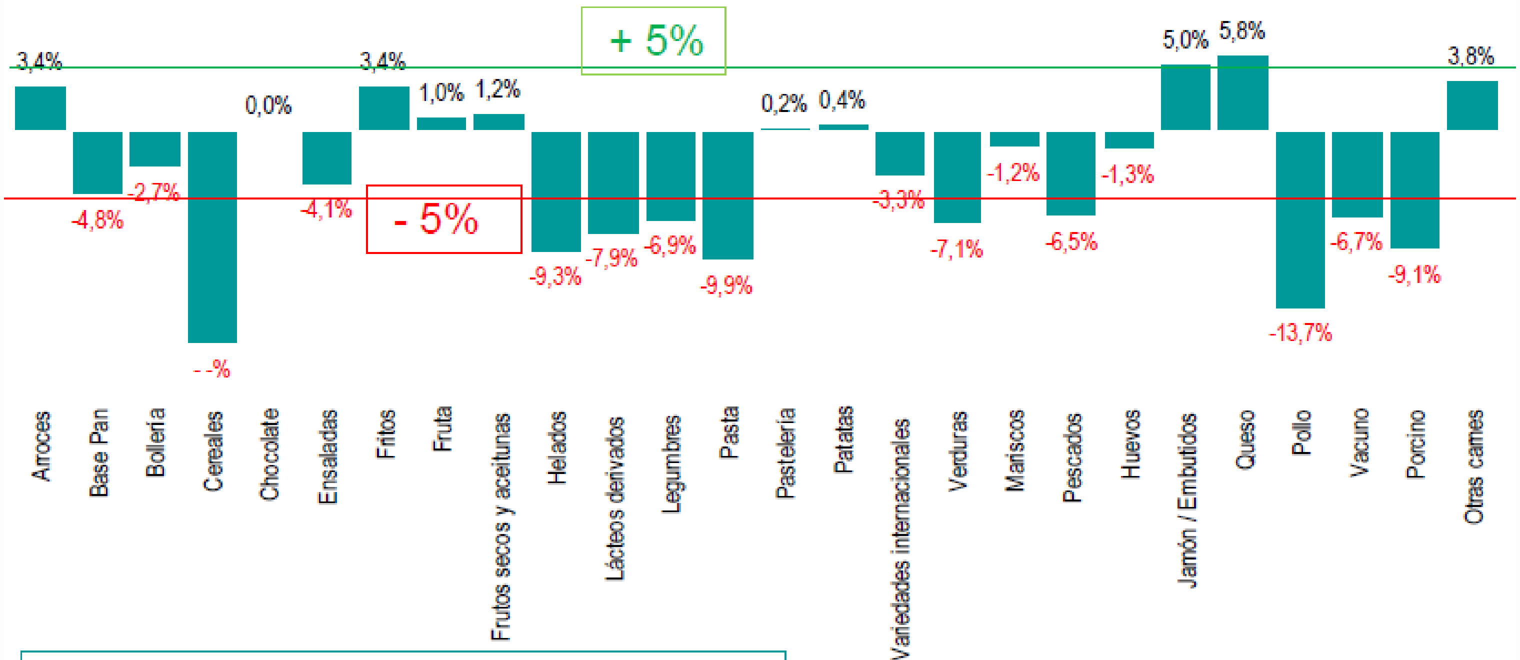
MÁS JAMÓN, EMBUTIDOS Y QUESO, Y MENOS CEREALES, POLLO, PORCINO, PASTA Y HELADOS

Consumo extradoméstico por productos



Evolución Porciones de consumo (%) 2012 vs. 2011

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SPAIN FOOD CONSUMPTION BY CATEGORIES-Out of home

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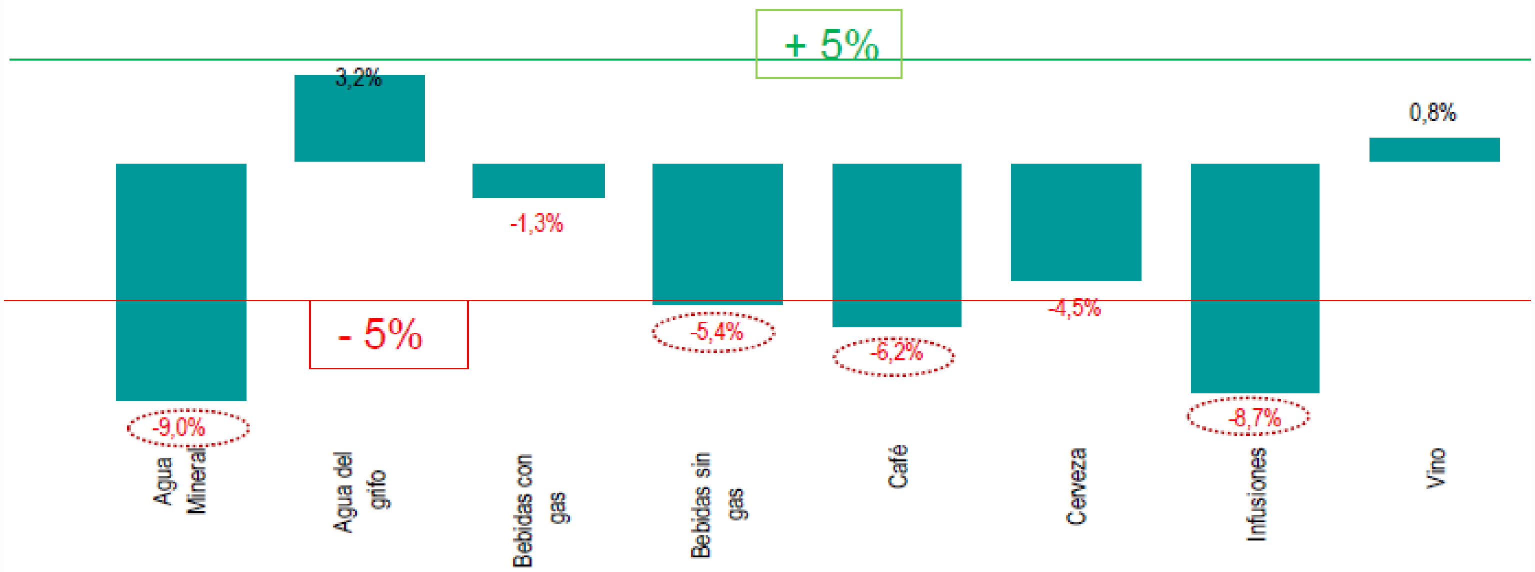
AUMENTA EL CONSUMO DE AGUA DEL GRIFO Y VINO, Y DISMINUYE DE AGUA MINERAL, INFUSIONES, CAFÉ Y BEBIDAS SIN GAS

Consumo extradoméstico de bebidas



Evolución Porciones de consumo (%) 2012 vs. 2011

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