

THE F&D PORTUGUESE MARKETS

Prepared for FEVIA by Green Seed Portugal

- I. ABOUT GREEN SEED PORTUGAL**
- II. BEING PORTUGUESE IS...
- III. DEMOGRAPHICS, SOCIAL & ECONOMIC CONDITIONS
- IV. THE CONSUMER BUYING BEHAVIOUR
- V. TRADE STRUCTURE & TRENDS
- VI. RETAILERS & OTHER KEY PLAYERS' PROFILES
- VII. FOOD & DRINK CONSUMPTION TRENDS
- VIII. ALTERNATIVE ROUTES TO MARKET
- IX. CASE STUDIES


About Green Seed Portugal

- GSP was founded in 2009 by Luis Garcia (LG) following the extinction of Food from Britain organization.
- In Portugal, Food from Britain opened office in 1999 by LG who won the tender to represent the organization in the country.
- FFB PORTUGAL was started as an entrepreneurial consulting project. For the previous 15 years LG served companies such as Unilever / JM, Sogrape Wines and Conagra Meats local operation on Marketing, Sales and MD responsibility.
- The GSP small staff of 3 is in line with the size of the Portuguese market in this business.
- From end 2012, LG decided to expand the business to West African countries (Angola, Ghana, Cote d'Ivoire, Senegal)



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Being Portuguese is...

<p>Proud of the 900y history</p> <p>Creative, able to improvise</p> <p>Easy to accept / integrate w/ different cultures</p> <p>Hospitality, cheerful, non-violent</p> <p>Family, the most valued institution</p>	<p>BUT...</p> 	<p>Melancholic about the past, unhappy about the present (HPI #97)</p> <p>Pessimist, sense of inferiority</p> <p>Not very organized, leave it to the last minute</p> <p>No sense of common good</p>
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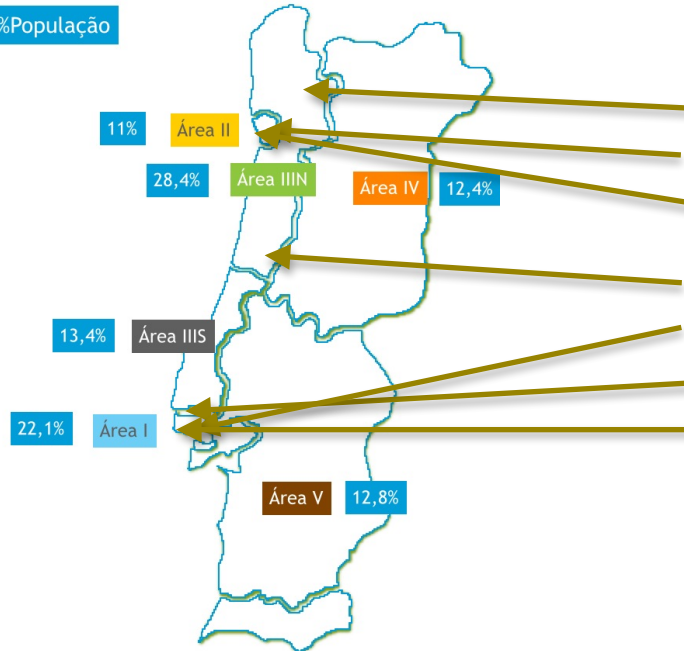
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Population and territory

- The southwestern European border
- Population: 10,5 million
- # of Households: 4,8 million (average family 2,19)
- Territory: 92,000 Km²



%População

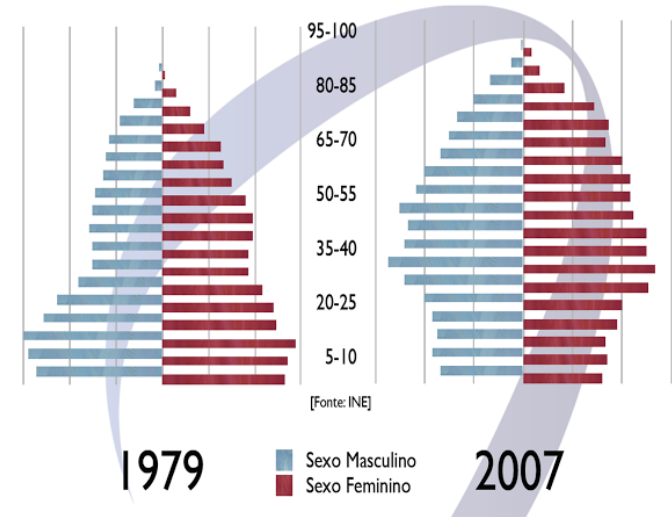


Main cities:

Braga: 190,000
Porto: 250,000
Gaia: 300,000
Coimbra: 150,000
Lisbon: 550,000
Sintra: 350,000
Cascais: 200,000

Demographics and social conditions

- Life expectancy 78,1y (#39)
- Birth rate 9,5/1,000 against 23,5 in 1960
- Age profile, not a pyramid anymore but a tree
- Human Development Index #43 (-3 in 2012)
- Gini index=15 (ratio 10% richest / 10% poorest), the highest in Europe



Regional differences

Above average
counties in yellow



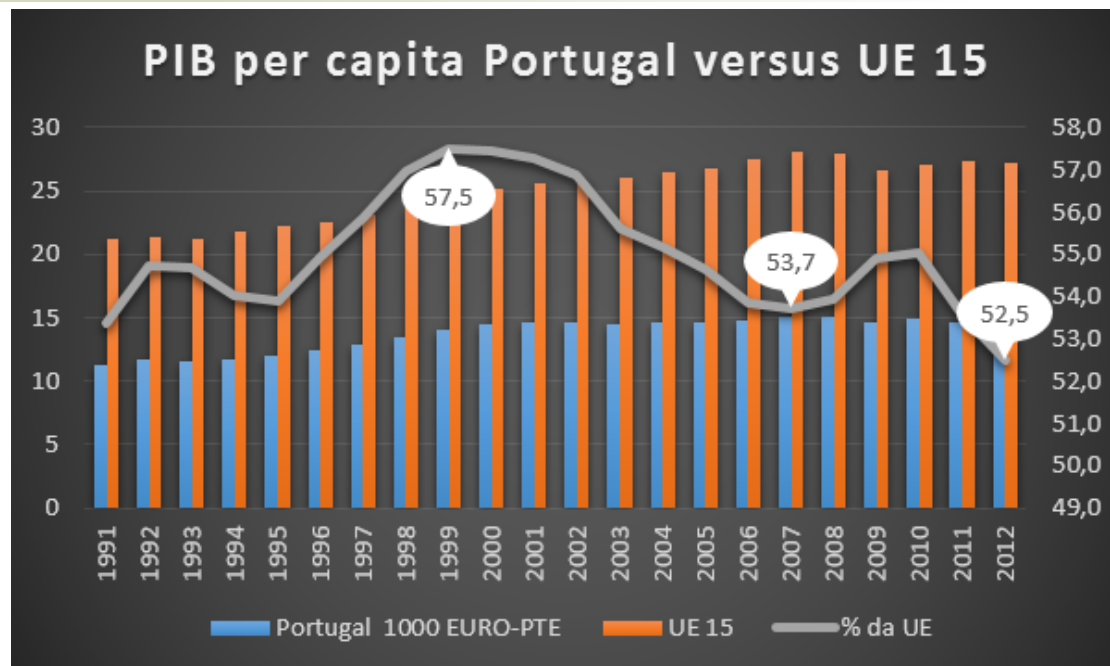
The Economy

1991/2000: Convergence
Investment, Public Spending
Availability & income fueled
consumption

2001/ 2008: Divergence
- Wealth illusion: Income
falling, consumption rising
(low interest rates)
- External trade imbalances

2009/2011: False convergence
- reaction Int'l crisis, public
spending out of control

Jun 2011: Int'l intervention, forced landing



The Economy

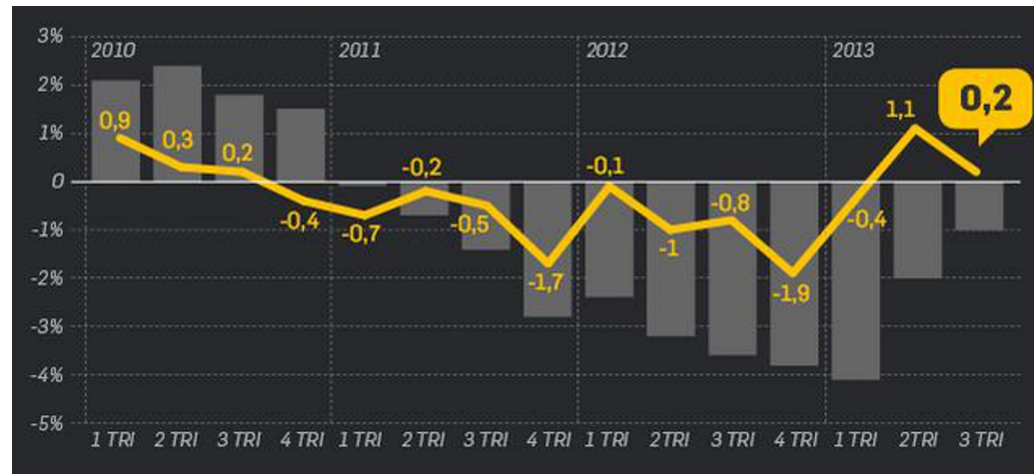
- GDP 2012 -4%
- GDP (PPP) 2012: \$22,930 (#39 worldwide)
- Unemployment rate: topped 17,5% 1st Q 2013
- Emigration of 200,000 qualified professionals
- Public Debt reached 130% GDP and Private Debt 180%
- Decrease of 15% income in 2 years (20% civil servants)
- Average / min gross salary (private sector): €900 / €485

BUT...



...The situation is improving now

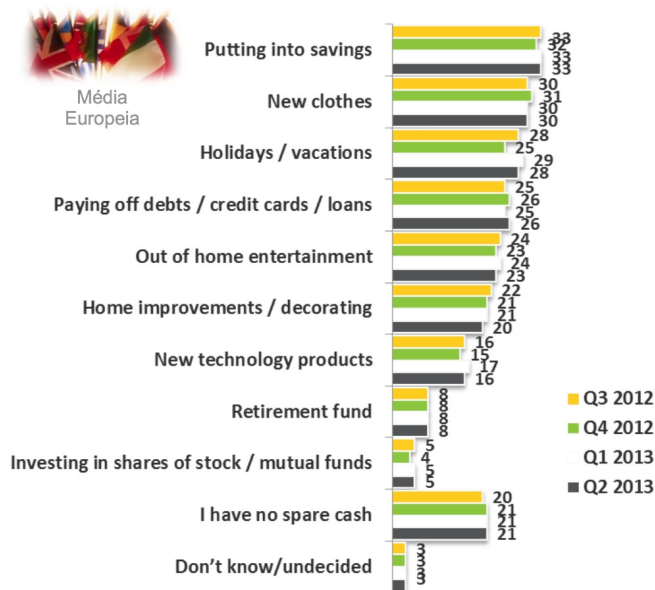
- Recession 2013 -0,8%, better than forecast and 2014 is expected +1,2%
- Unemployment improved to 15%, although 37% <25yo
- External surplus of +1,7% 1st time since...1945 (Tourism +10% and Exports +6% in 2013, to represent in 2014 44% of GDP against 36% in 2011)



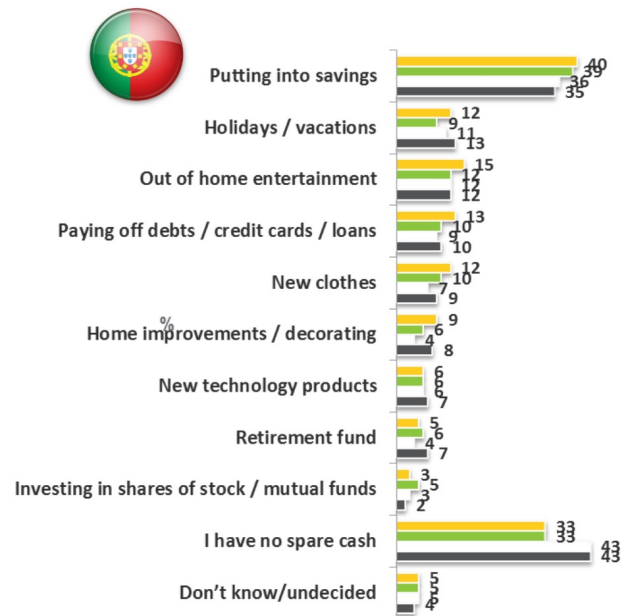
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Buying Behavior trends

What do you do with your spare cash?
(after paying the fundamentals)



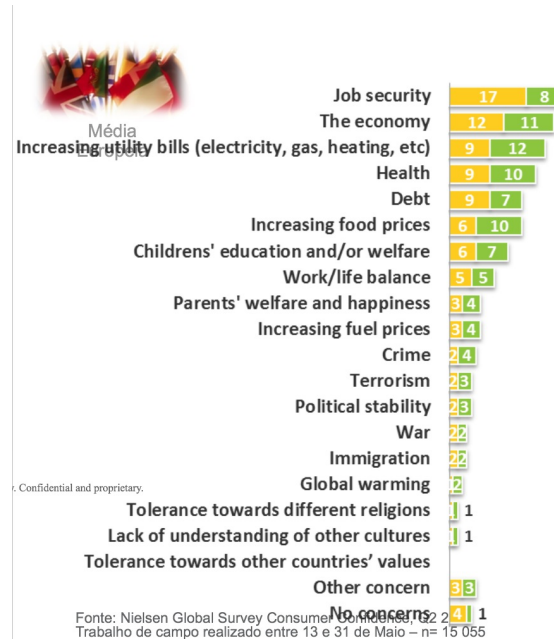
Fonte: Nielsen Global Survey Consumer Confidence, Q2 2013
Trabalho de campo realizado entre 13 e 31 de Maio - n= 15 055



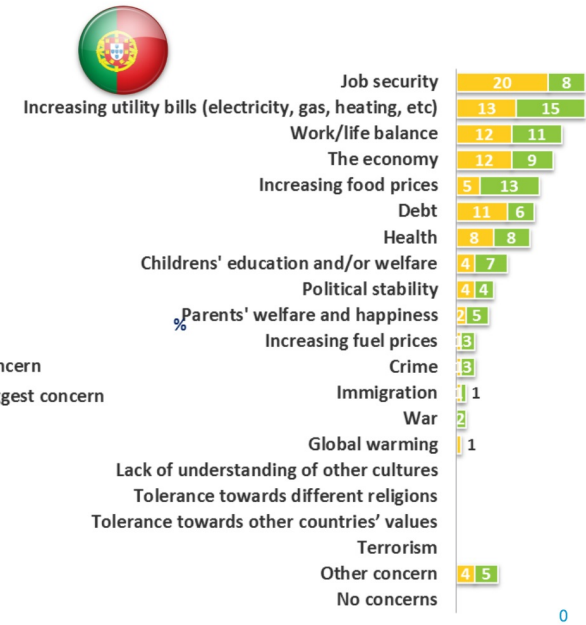
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Buying Behavior trends

Job security /
increasing
utility bills are
main concerns

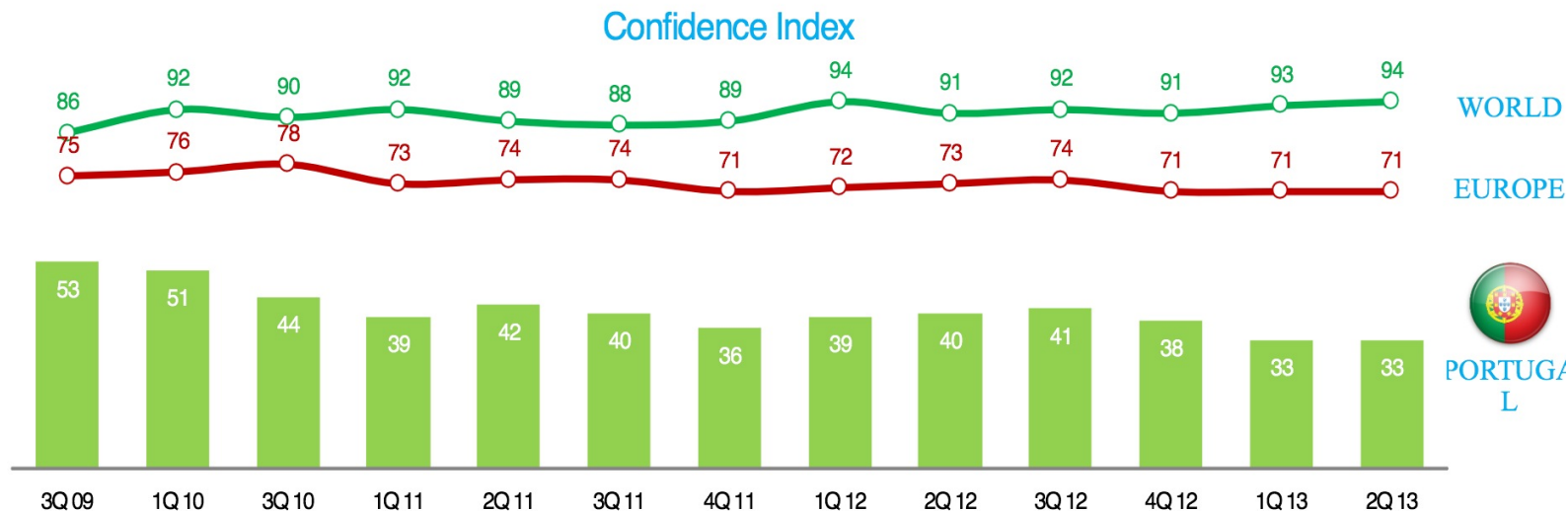


Confidential and proprietary.



Buying Behavior trends

Consumer Confidence has never been so low...



Buying Behavior trends

Low
confiden
ce

Less
spare
money

High
unemploy
ment



Higher consumption at home

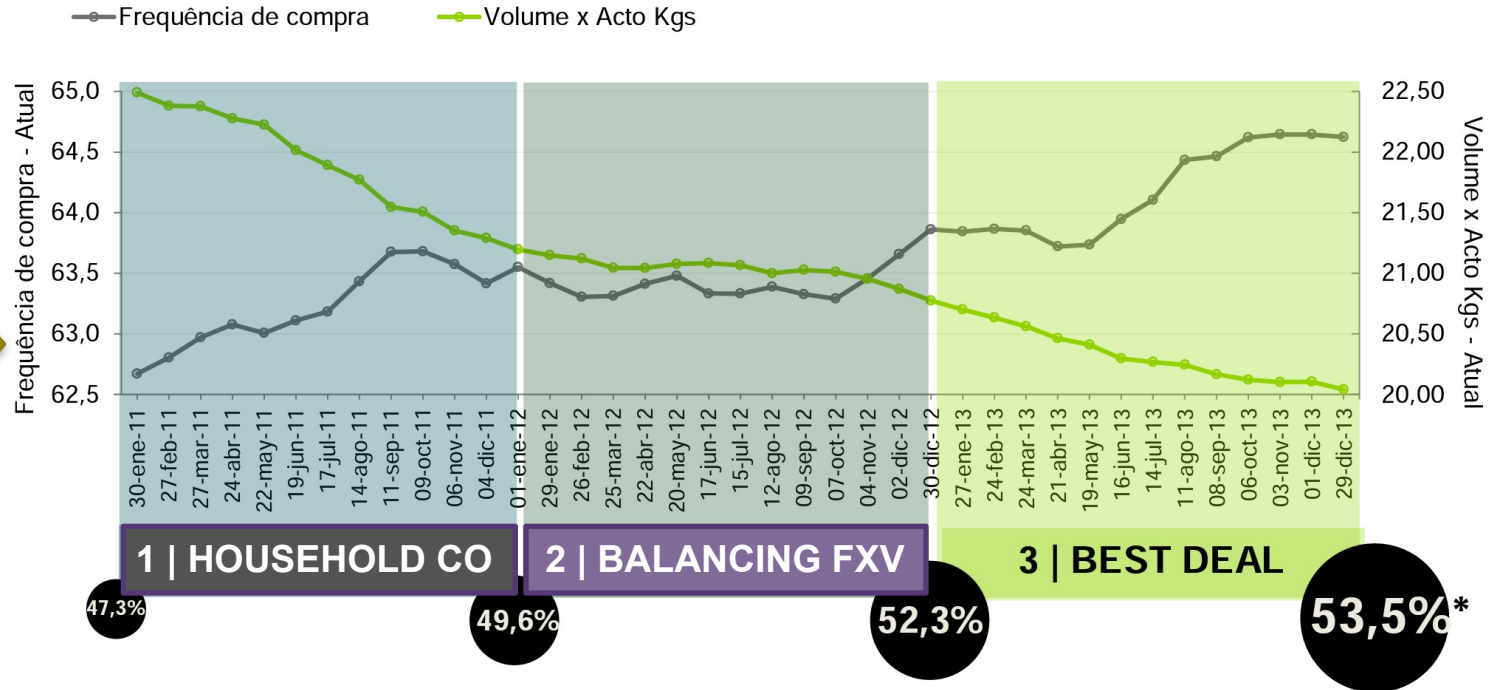
Decrease basket amount &
increased frequency purchase

Concentrate spending in
essential items

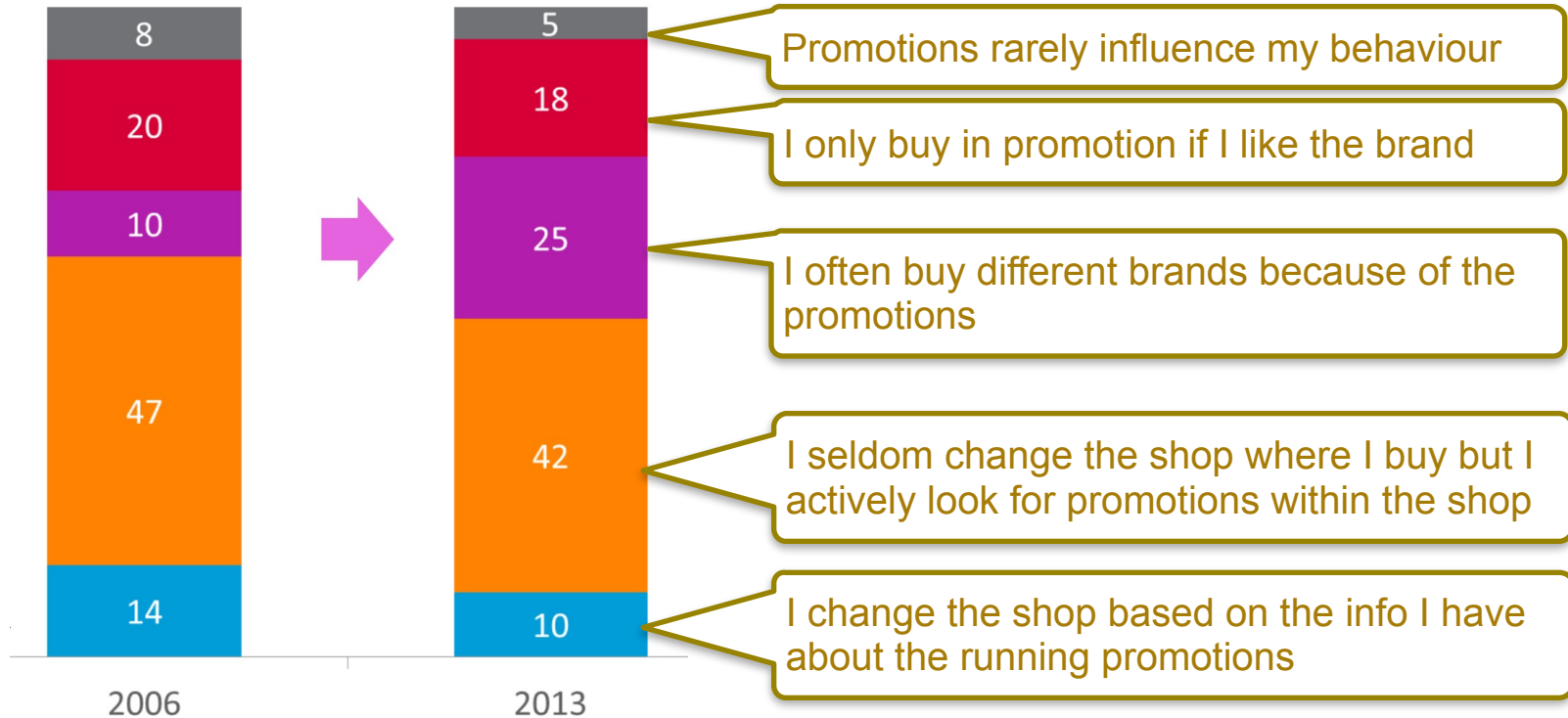
Increased interest in price
promotions / bargain hunting

Buying Behavior trends

Moving from "stable purchasing" to opportunistic

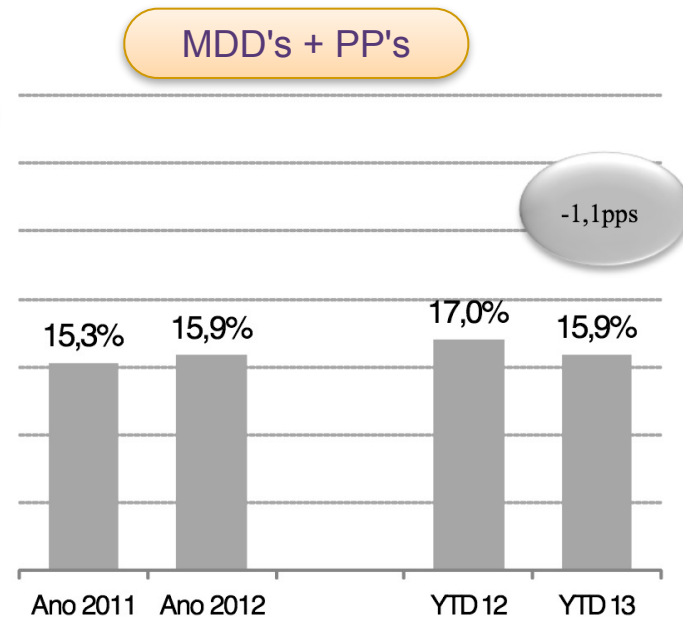
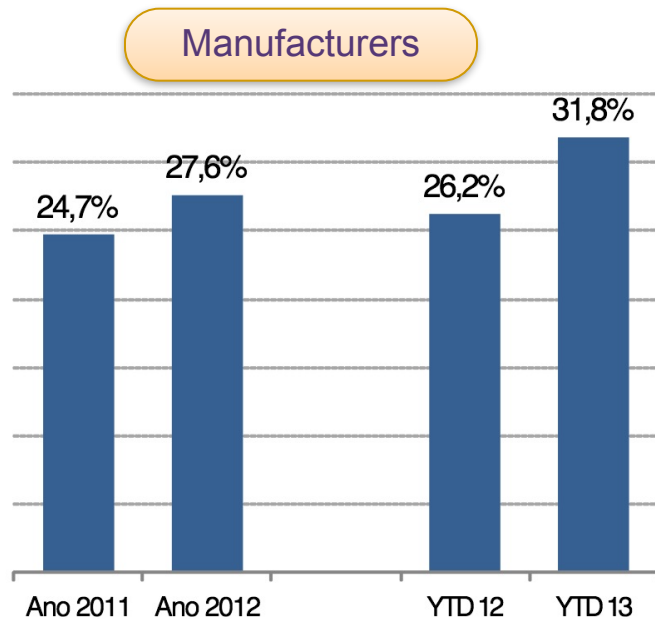


Buying Behavior trends



Buying Behavior trends

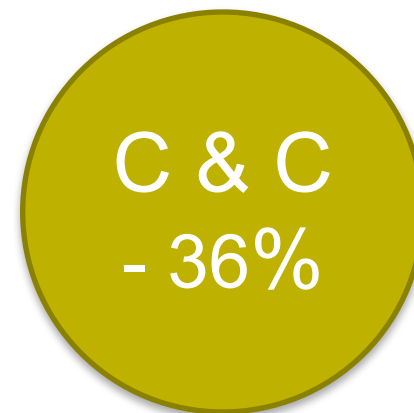
32% of Manufacturers' brand sales are done because of promotions...



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Buying Behaviour channel implications

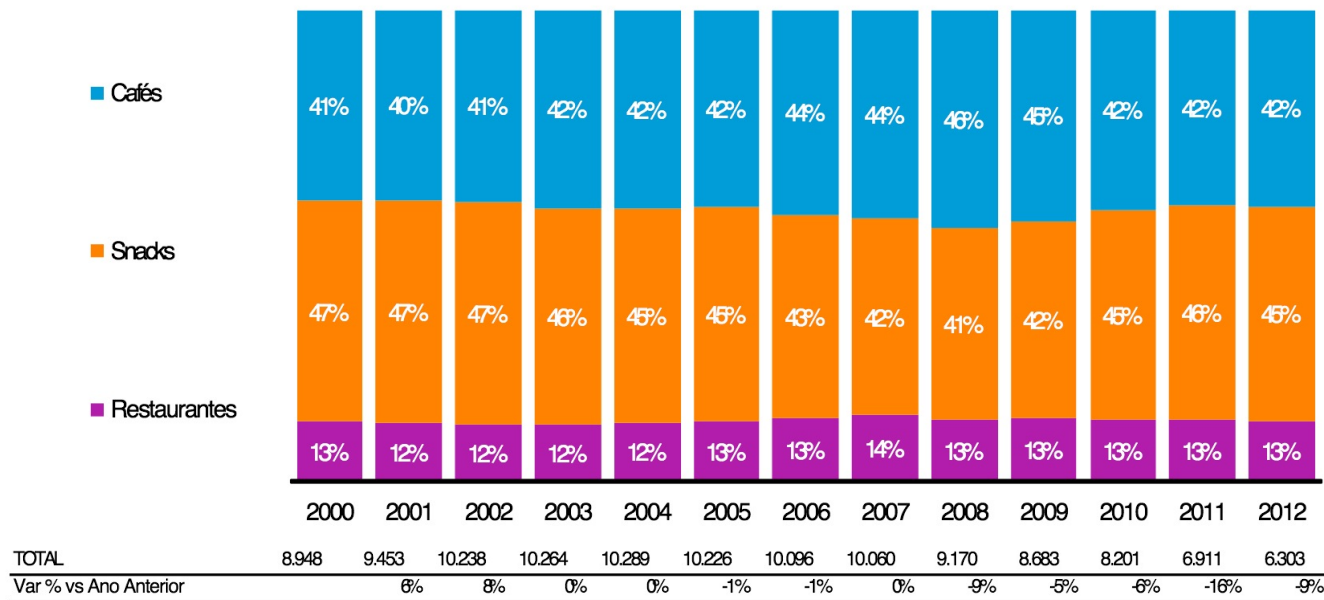
Between 2006 and 2012...



The HORECA profile & trends

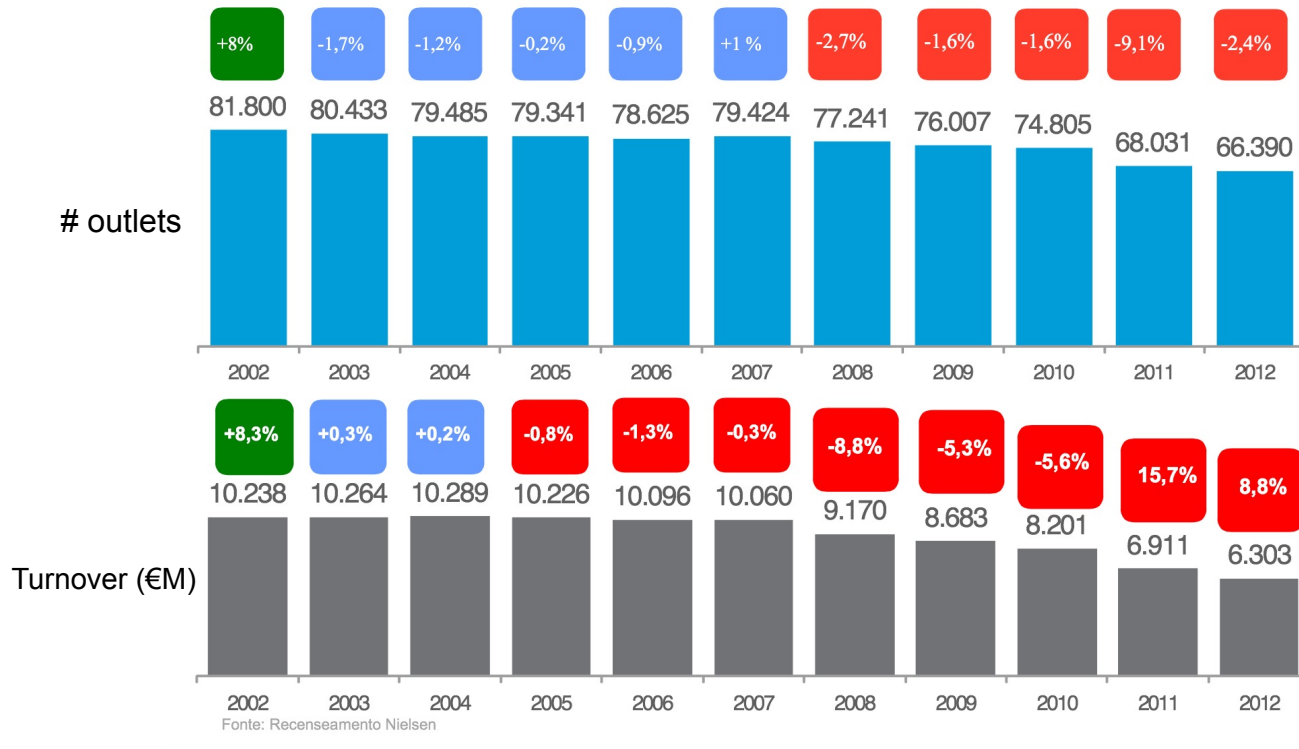
- The split between Cafes / Snack-bars and Restaurants hasn't changed at all
- The table misses the Hotels not measured by Nielsen and a key growing outlet
- Outlets in shopping malls represent 7% of the total turnover

HORECA turnover split / outlet



The HORECA profile & trends

The hit came as a consequence of
 - buying behavior changes
 and
 - reinforced by the VAT new rate of 23% in 2011 from 13%



The HORECA profile & trends

Volume implications on specific markets...

Alcoholic Drinks

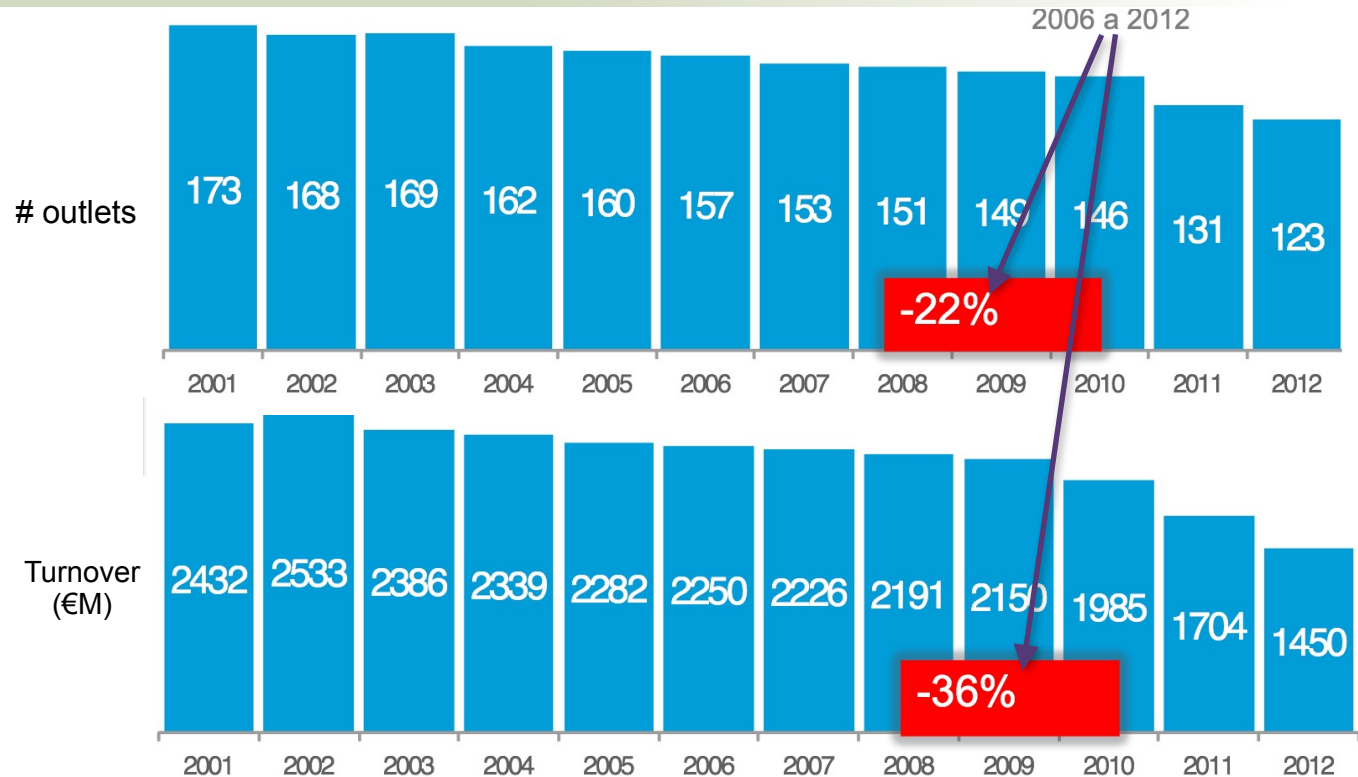
Non Alcoholic

Food

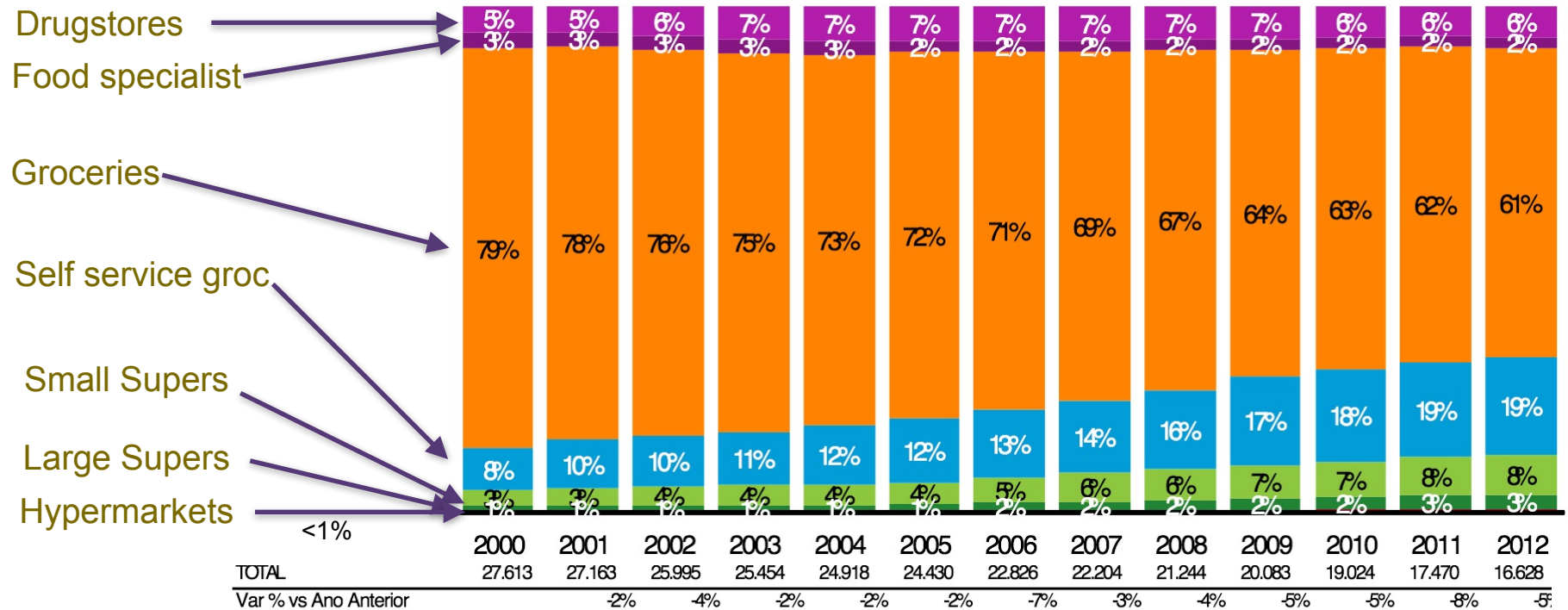
	YTD 12	YTD 13	
Table wine	49.523	42.911	-13%
Whisky	2.737	2.236	-18%
Gin	93	107	16%
Beer	176.761	166.213	-6%
Muscat	2.072	1.543	-26%
Vermouth	2.110	1.720	-18%
<hr/>			
Roasted Coffee	12.017	10.846	-10%
Refreshing Drinks	104.951	90.522	-14%
Bottled Water	115.787	100.472	-13%
<hr/>			
Impulse Ice cream	4.033	3.867	-4%
Chewing Gum	295.825	238.983	-19%
Individual Cakes	511	455	-11%
Choc bars	146	115	-21%
Choc snacks	410	347	-15%
Aperitif snacks	281	230	-18%
Crisps	677	623	-8%

The implications on the C&C business

- The combined slump of out-of-home consumption and retail concentration...
- The leading units Recheio and Makro together represent 50 stores and 80% of the business...

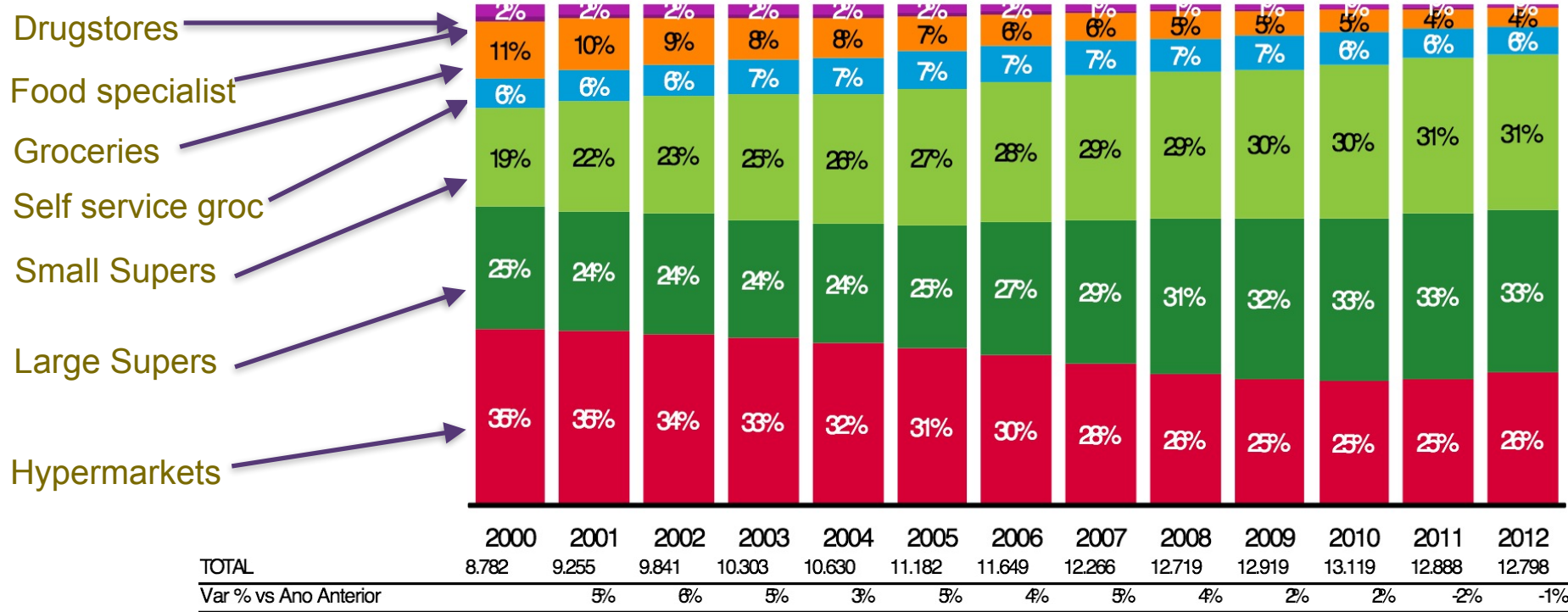


Key retail trends



eisen|Recenseamento

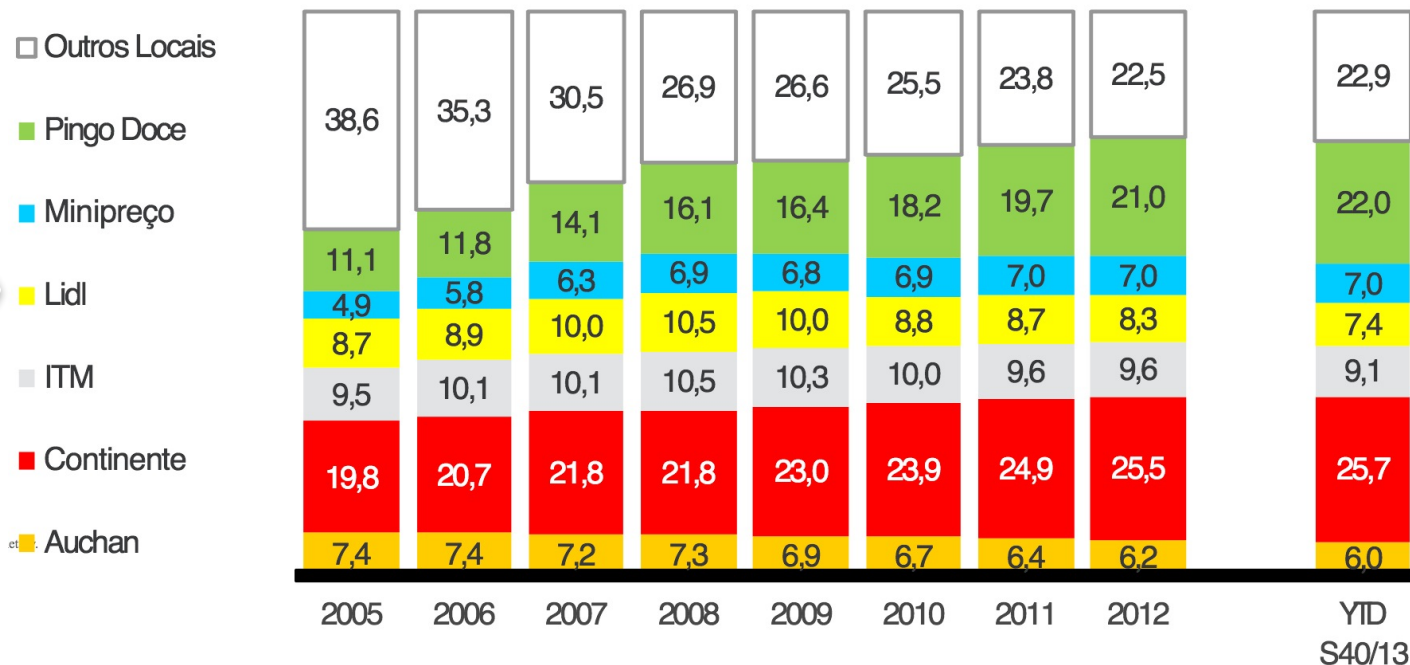
Key retail trends



Key retail trends

Concentration:
Pingo Doce and
Contidente
account now
for near 50%
of the
business,
against 30%
8 years ago

Main multiples market shares' evolution

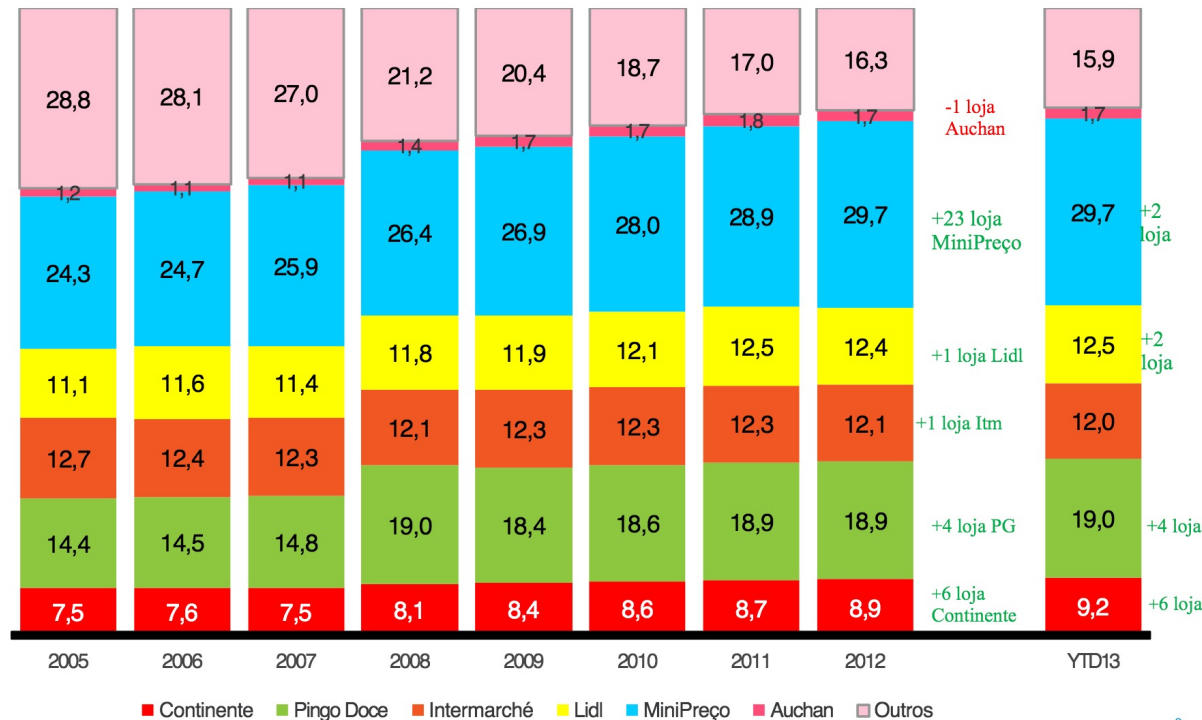


Key retail trends

Minipreço leads in terms of outlet # and new openings... but Pingo Doce and Continente also growing

Main multiples share of outlets evolution

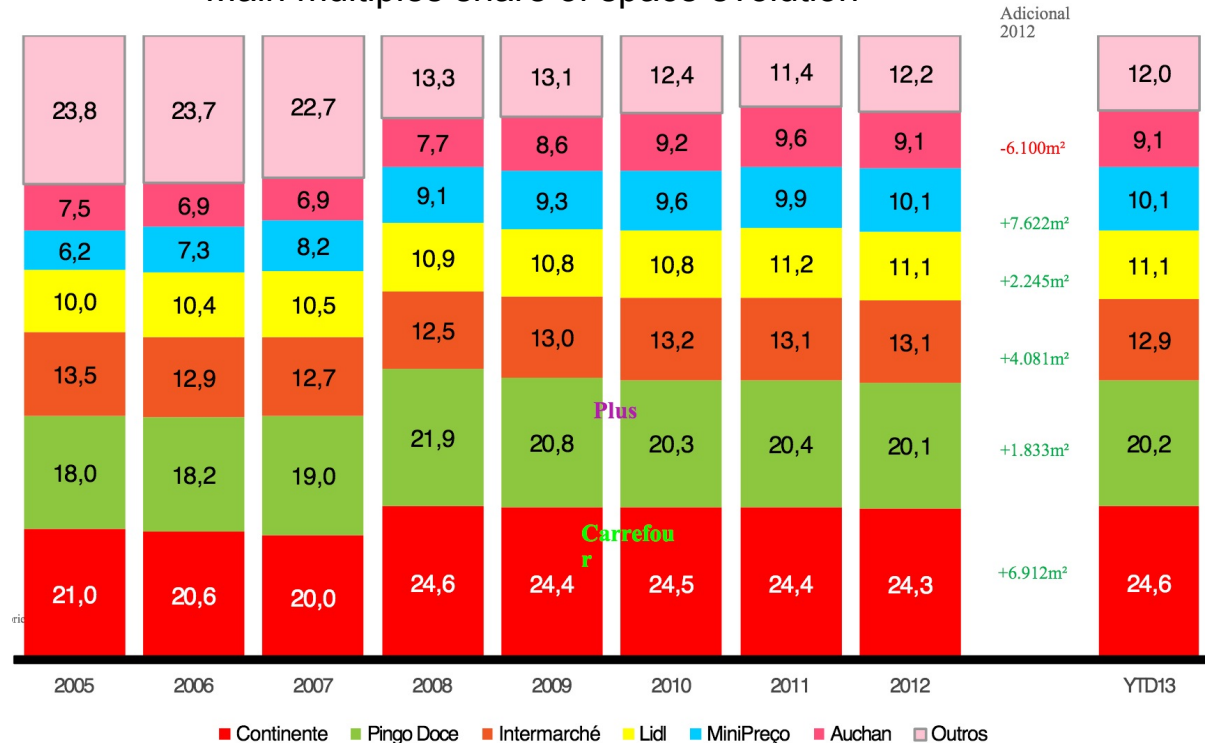
Aberturas 2012



Key retail trends

Main multiples share of space evolution

- Bigger stores from Continente and Auchan reflect an higher share of selling space
- Minipreço's smaller shops a much lower share than the one of outlets

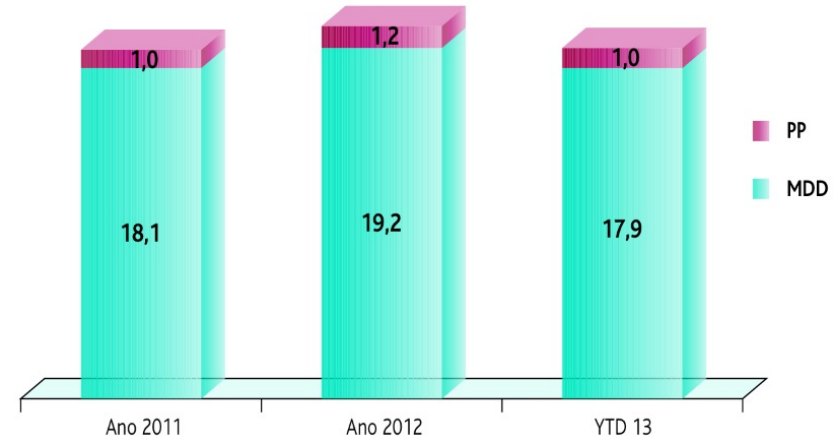
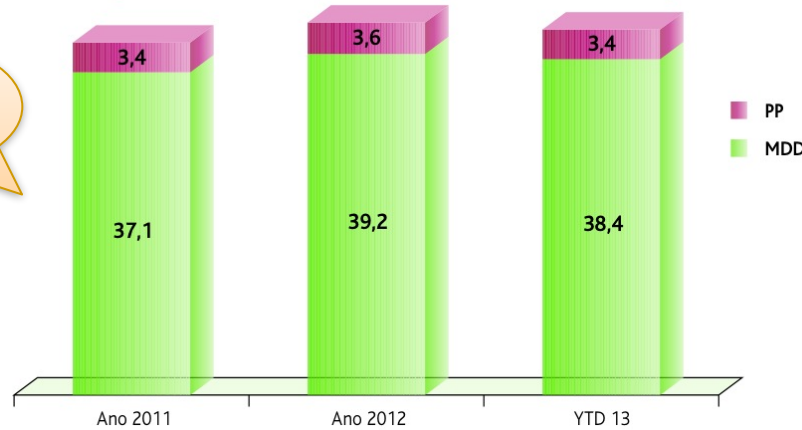


Key retail trends

Private Labels (MD) and First Price (PP) losing strength due to intense manufacturers' promotions...

Drinks

Food



	MDD		PP	
	Ano 2012	YTD 2013	Ano 2012	YTD 2013
Groceries	40,2	40,1	3,5	3,4
Frozen	47,9	44,5	6,4	5,8
Dairy	34,3	33,0	2,8	2,5

	MDD		PP	
	Ano 2012	YTD 2013	Ano 2012	YTD 2013
Alcoholic Drinks	10,9	10,8	0,5	0,4
Non Alcoholic Drinks	31,5	29,2	2,3	2,0

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Retailer profiles

	HYPER	SUPERS		
		Small	Large	Tot Supers
CONTINENTE	40			
CONTINENTE MODELO	4	1	94	95
CONTINENTE BOM DIA		20	13	33
TOTAL SONAE	44	21	107	128
PINGO DOCE	9			
PINGO DOCE		219	133	352
TOTAL JERÓNIMO MARTINS	9	219	133	352
INTERMARCHÉ		116	114	230
JUMBO	22			
PÃO DE AÇUCAR	1	0	9	9
TOTAL AUCHAN	23	0	9	9
MINI PREÇO		583	0	583
LIDL		158	80	238
EL CORTE INGLÉS	2			
SUPERCOR		0	7	7
TOTAL ECI	2	0	7	7
E.LECLERC	16		4	4
ALDI		42	0	42
OTHERS		178	25	203
TOTAL HYPERS & SUPERS	94	1317	2275	1796

Number of outlets / retailer group split by type

CONVENIENCE	
BP	58
CEPSA	95
M24/ TANGERINA	93
REPSOL	64
TOTAL	310

Retailer profiles

2 of the 3 wealthiest Portuguese individuals are the owners of the leading retail groups...



Retailer profiles

CONTINENTE

green
seed
International Food Expertise

- Continente is the F&D retail brand from SONAE, the biggest conglomerate business in Portugal, whose interests range from the industry (leading wood processor in Europe), telecom (#2 in Portugal), shopping malls (Europe and Brazil), tourism and several other retail concepts (Worten, Sport Zone, Modalfa)



- It was the 1st hypermarket to open in Portugal, in 1985, taking advantage of the consumer boom which followed the EU integration. At the time PROMODÉS had a 40% share of the business later transferred to CARREFOUR, which then sold to SONAE
- Very aggressive negotiations with suppliers with long payment terms during tight financing / high interest rates fueled the group expansion.
- Total business in 2013 of the retail unit was 4,600M€, whereas CONTINENTE business grew 4,1% to 3,500M€

Retailer profiles

CONTINENTE

green
seed
International Food Expertise

- Apart from the CONTINENTE hypermarkets, it also owns the BOM DIA, the convenience stores at GALP petrol stations and more recently a franchise concept MEU SUPER into traditional retail (45 shops now).
- Logistics centralization in 3 depots: Lisboa, Porto and Algarve
- Leading advertiser in Portugal: a "continent" offer at the best prices
- Fully centralized negotiations at HQ, EDI, automated payment systems
- Aggressive loyalty card promotions (up to 75% discounts, charged backwards to suppliers)



Retailer profiles



- Pingo Doce is the retail brand from Jerónimo Martins (JM) group operating since 1986. JM started in the 50's as the distributor of the Unilever brands in Portugal and that evolved to a 50/50 partnership in all sectors still valid today (Margarines, olive oil, detergents, personal products, ice cream)
- The consolidated business of the group reached 11,800M €, 10,1% over last year.
- The major contributor to the operation is the Biedronka discount chain of 1,900 stores in Poland, acquired in 1997
- 2013 is marked by the launching of the operation in Colômbia, already with 36 shops
- Pingo Doce sales reached 3,100M€, +4% whereas Recheio, the leading C&C chain w/ 39 units, topped 805M €, +1,3% than 2012
- Recently the group undertook a franchise project for the traditional sector: AMANHECER



Retailer profiles



- Pingo Doce was near bankruptcy in 1999, after a failure in Brazil and bad domestic performance. Its turnaround was brilliant, focusing on reduced / high turnover assortment, the "lowest prices the quality can get" and private label (>50%, the highest in Portugal).
- It operates 2 highly efficient distribution centres, w/ rigid delivery windows for suppliers routing the product to the stores in a few hours.
- All PL tender process is outsourced to Daymon
- Fully centralized in commercial terms.
- Uneasy to get new listings
- Highly publicized promotions with 25% to 50% off the normal price. The most famous in 1st May 2013, all assortment at 50%, triggered the legislation changes and generated huge free publicity



Retailer profiles



- AUCHAN is a fully owned subsidiary of the French group, which entered in Portugal, acquiring the PÃO de AÇUCAR operation to its Brazilian owner in the late 80's.
- It lost the CARREFOUR bid to SONAE, the last opportunity to play a major role into the Portuguese retail scene
- It also explores the ALEGRO shopping malls where one can find their JUMBO hypers
- Except for regional products, all PL is sourced from France.
- Fully centralized logistics and negotiation, buying most of the branded products in the local market
- Innovative in consumer service (loyalty card, self scanning)
- Takes too long to pay the bills (90 days RMF)
- Steady share decline, losing to CONTINENTE



Retailer profiles



- Intermarché started in Portugal in 1991 and operates the same franchise system as in France
- Its profile is more regional than the other multiples where it holds a strong position in small towns
- Operate a range of PL brands, some international, others local.
- 2 main depots which deliver the imported items as well as those negotiated centrally. Negotiation and distribution at store level is possible and in this case, payment is also local
- Very aggressive price promotions backed up by ad campaigns
- From a peak of 10,5% in 2008, it has been unable to compete w/ Pingo Doce and now at 9%



Retailer profiles



- MINIPREÇO, which in Portuguese means "Mini Price", operates since 1979, when it opened the 1st store in Lisbon and belonged to Pão de Açúcar group.
- In 1998, Dia bought the whole chain following a successful market introduction in 1993
- Following DIA's strategy, it operates as a Soft Discount concept with an assortment of 3,500 SKU's.
- Fully centralized logistics from 3 depots
- PL is very important through DIA brand (1,200 items), negotiations made outside except for regional / fresh products
- Has been able to protect the 7% share with new store increasing # of stores



Retailer profiles



- LIDL started operations in Portugal in 1995 via an aggressive "Hard Discount" strategy (narrow product lines, PL brands) and rapidly achieved a relevant position.
- From 208, lost 3% m.s. to Pingo Doce as a consequence of their repositioning strategy.
- It started communication campaigns to give visibility to the message and
- softened the image of a ruthless operator spoiling the local economy by committing to contracts with Portuguese companies and exporting Portuguese products. Consumer promotions and social responsibility also conveying to the new image.
- the range also widened to new sectors such as prepacked Fresh meat bought locally



- EL CORTE INGLÉS started operating in Portugal on 2002, opening a big Department store in Lisbon
- Following Lisbon, it opened another Department store in Porto area and then expanded via Supercor targeting higher income locations
- Due to its small scale, shop to shop delivery is required but negotiation of conditions / campaigns is centralized
- Abelt its size, ECI plays a major role in the high end sector of the market, because no other multiple can provide a similar assortment and service
- Prices are higher than anywhere else but the company has implemented a smart promotional strategy by selecting weekly a range of product where it gives 50% off to be deducted in the next purchase



- Makro started operations in Portugal in 1989 and achieved great initial success with groceries, restaurants and independent professionals.
- In Portugal it operates 10 shops, gathers 300,000 clients and has full decentralized operations, as shops are supplied one by one.
- Having suffered a big slump for the last 6 years as a consequence of shrinking client base, it carried out a deep restructuring of the stores with a new customer service focused approach, improved lay-out and better prices in 2013. The company claimed to have regained back 45,000 clients since and market share gains of 1,5%, now at 20% of the C&C sector.



Alternative channels



- Sogenave started as a traditional distributor and evolved 30 years ago to an highly professional catering business part of Trivalor group
- The leading operator in the hospitality sector with market share of >90% in schools and >50% in hospitals, serving over 110Million meals
- it is also involved in catering events, ticket restaurant, vending machines, it is the biggest HR employer in Portugal
- Operates from 2 warehouses (Lisbon and Porto), delivering 50,000tons of food to 3,500 POS



Alternative channels

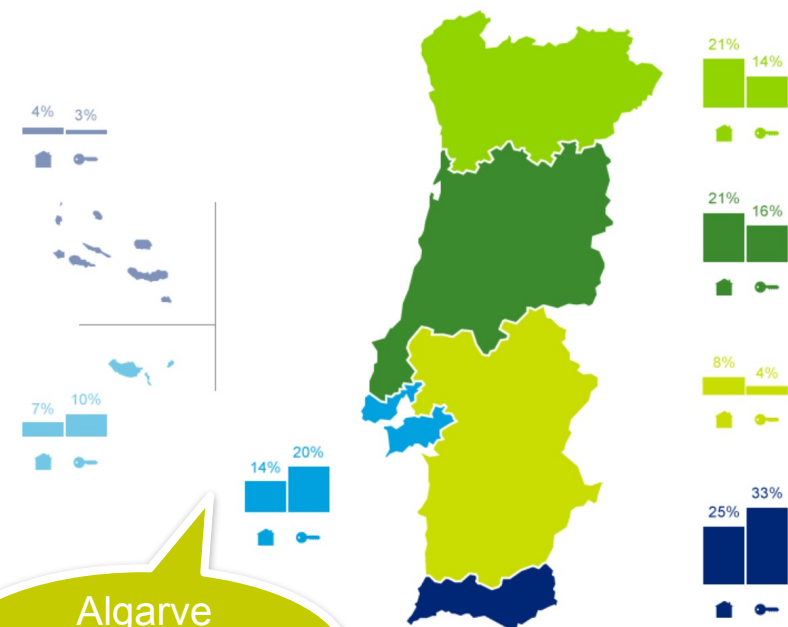
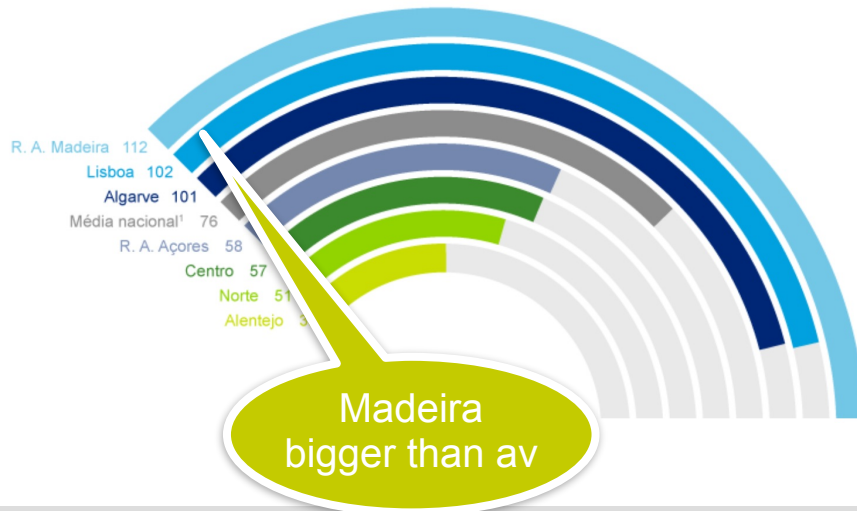


- O Celeiro is the most successful Health Stores concept supplying a wide range of dietetic, gluten free, organic products as well as vitamins and supplements
- On top of the product range ambient, chilled and frozen, some stores do have a snack-bar function providing meals w/ the store products and consumer advice
- Operating since the 60's, curiously it was on the footsteps of the economic crisis, that a accomplished expansion took place. Celeiro accounts now for 25 stores (both in shopping malls and street shops)
- A well designed website and monthly magazine complete the offer



Hotel groups in Portugal

- Climate, history, gastronomy, cheap flights and prices, all coincide to boost tourism
- Lisbon & Porto, preferred short stay destinations in Europe
- Need to be supplied via specialist



Algarve + Lisbon + Madeira = 2/3

Major Hotel groups in Portugal

Posição		Grupo hoteleiro / Entidade de management	Empreendimentos túristicos		Unidades de alojamento ¹		Camas		Presença internacional	
Actual	2012		N.º	% do total	N.º	% do total	N.º	% do total		
1	1	⊖	Pestana Hotels & Resorts / Pousadas de Portugal ²	59	3,5%	6.335	4,9%	12.980	4,6%	✓
2	2	⊖	Vila Galé Hotéis	17	1,0%	3.800	2,9%	7.698	2,7%	✓
3	3	⊖	Accor Hotels	30	1,8%	3.113	2,4%	5.614	2,1%	✓
4	4	⊖	Tivoli Hotels & Resorts	12	0,7%	2.471	1,9%	5.050	1,8%	✓
5	5	⊖	VIP Hotels	13	0,8%	2.101	1,6%	4.323	1,5%	✓
6	6	⊖	Hoti Hotéis / Meliá Hotels & Resorts	14	0,8%	1.860	1,4%	3.707	1,3%	✓
7	8	⬆	SANA Hotels	11	0,6%	1.549	1,2%	3.035	1,1%	✓
8	7	⬇	Dom Pedro Hotels	7	0,4%	1.399	1,1%	2.915	1,0%	✓
9	9	⊖	Continental Group	11	0,6%	1.288	1,0%	2.621	0,9%	✓
10	10	⊖	Starwood Hotels & Resorts	6	0,4%	1.284	1,0%	2.663	0,9%	✓
11	18	⬆	Inatel Turismo	17	1,0%	1.262	1,0%	2.524	0,9%	✗
12	12	⊖	Hotéis Real	8	0,5%	1.231	1,0%	2.561	0,9%	✗
13	15	⬆	Marriott	6	0,4%	1.231	1,0%	2.386	0,8%	✓
14	13	⬇	Hotéis Fénix	7	0,4%	1.210	0,9%	2.318	0,8%	✗
15	14	⬇	Riu Hotels & Resorts	3	0,2%	1.172	0,9%	2.389	0,8%	✓
16	16	⊖	Porto Bay Hotels & Resorts	6	0,4%	1.099	0,9%	2.221	0,8%	✓
17	-	✗	Luna Hotels and Resorts	9	0,5%	1.081	0,8%	2.335	0,8%	✓
18	17	⬇	Bensaude Turismo	8	0,4%	1.058	0,8%	2.112	0,7%	✗
19	20	⬆	Turim Hotéis	11	0,6%	999	0,8%	2.498	0,9%	✗
20	19	⬇	Barata Hotels & Resorts	8	0,4%	976	0,8%	1.952	0,7%	✗
Sub-total				263	15,4%	36.519	28,3%	73.902	26,0%	
Outros Grupos / Entidades de management				398	23,4%	40.852	31,7%	90.099	31,7%	
Independentes				1.043	61,2%	51.620	40,0%	120.074	42,3%	
Total				1.704	100%	128.991	100%	284.075	100%	

Major Fast Food & Restaurant chains

- The fast-food restaurant chains in shopping malls only represent 3% of the outlets.
- Macdonalds is the leading restaurant brand with 138 units
- Ibersol is the leading organization representing brands such as Burger King (35 units), Pizza Hut (23), KFC (15), Pans & Co (60), Pasta Café (13), amongst others. The group business turnover was €170 Million (2013), -12% than previous year
- Another important restaurant chain in Portugal is Telepizza (112 units)
- But the most successful story is from H3, a burger gourmet concept fully Portuguese now with 42 shops in Portugal and 10 in Brazil. It has triggered a whole new movement of other premium burger restaurants mainly in Lisbon
- Another interesting development is the famous chefs launching restaurant concepts under their own names such as Empadaria do Chef



Summary of trends in retail / food service

- High concentration (2 multiples account for 50%)
- Internationalization (Jerónimo Martins in particular, Sonae from 2015)
- International groups having a hard time with locals
- The relationship supplier / retailer is unbalanced due to excessive retailer bargaining power (no supplier represents > 2% of retailer's business) and aggravated by PL (retailer margins on PL 10% to 15%, whereas on branded 40% to 50% of RSP / except on promotions)
- The "promomania" triggered political action / regulatory constraints on contracts and promo practices (PIRC)

Summary of trends in retail / food service

- The government intervention and bad publicity generated by extortion practices have softened the retailers' attitudes and approach to negotiation
- Interesting market niches for companies, albeit small, offer good growth prospects:
 1. Gourmet sections of Continente and El Corte Inglés.
 2. Health / dietetic sections of multiples and Celeiro
 3. The growing Hotel segment, professional and quality demanding), linked to the development of the Tourism (initially Algarve and Madeira, now Lisbon and Porto / Douro playing quite relevant roles)

Constraints on retail

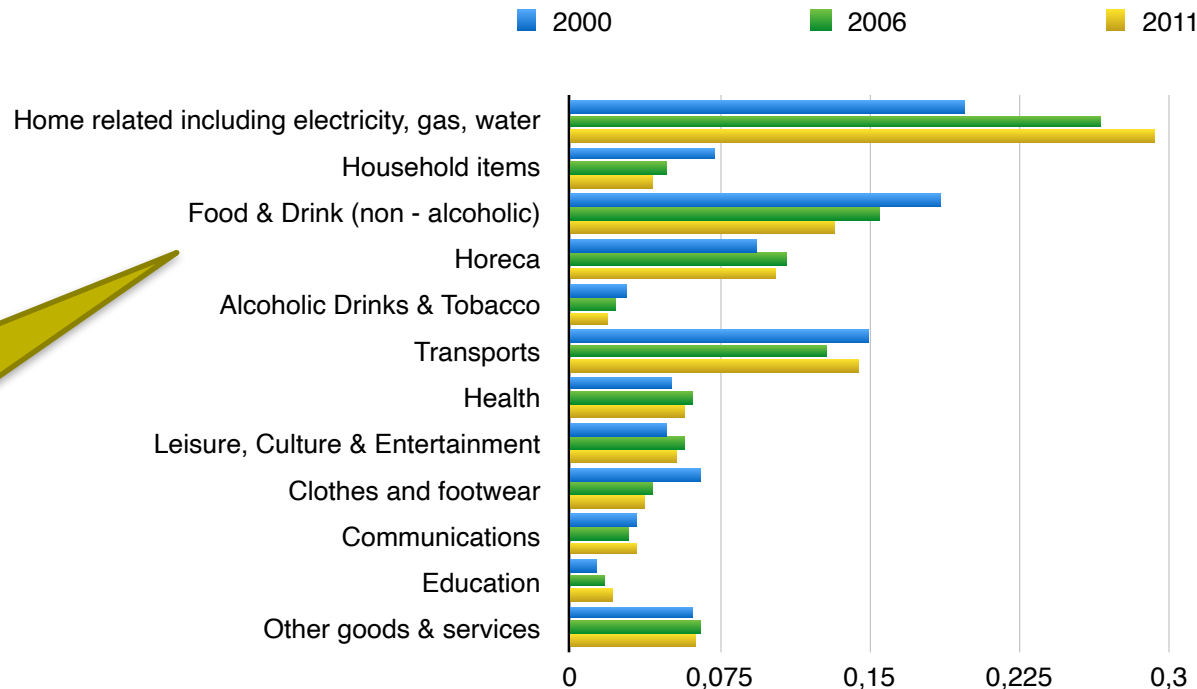
- The PIRC (Práticas Individuais Restritivas de Comércio) to rule "selling at a loss" practices through increased supervision and much higher fines
- Labelling legislation conforms to EU rules, but supplier also needs to contract and staple the "Green Dot" recycling symbol. That is either a distributor cost or retailer's this charged backwards, depending on whom introduces the product into the market
- All multiples request HACCP and evidence of quality certification
- EDI is needed with the leading retailers
- VAT rates
 1. Reduced rate (6%): Cereals, Rice, Still Water, all Dairy products, Eggs, Olive Oil and Lard, Bread, Raw Meat and Fish, Vegetables and Fruits, Salt, Honey, Dietetic and Gluten Free
 2. Intermediary rate (13%): Preserves of meat and fish, Table Wine, Mineral / Sparkling Water
 3. Standard rate (23%): all other products and HORECA consumption

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Evolution and breakdown of consumer expense

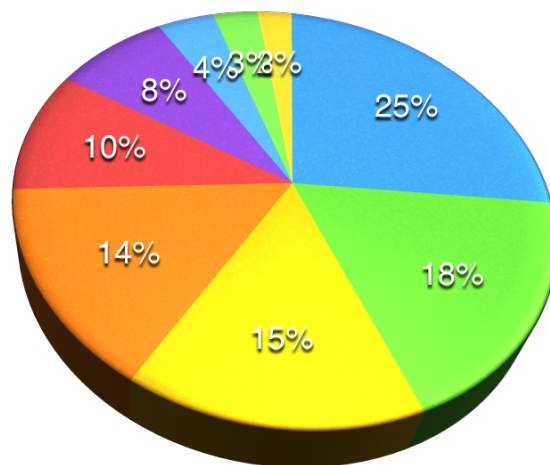
Home related expenses are the most important and increased its relevance

Food & Drink still quite important but losing strength



Major components of food consumption (2011)

- Meat
- Dairy & Eggs
- Oils & Fats
- Cereal based products
- Vegetables
- Confectionery & sugar
- Fish
- Fruit
- Other n.s.



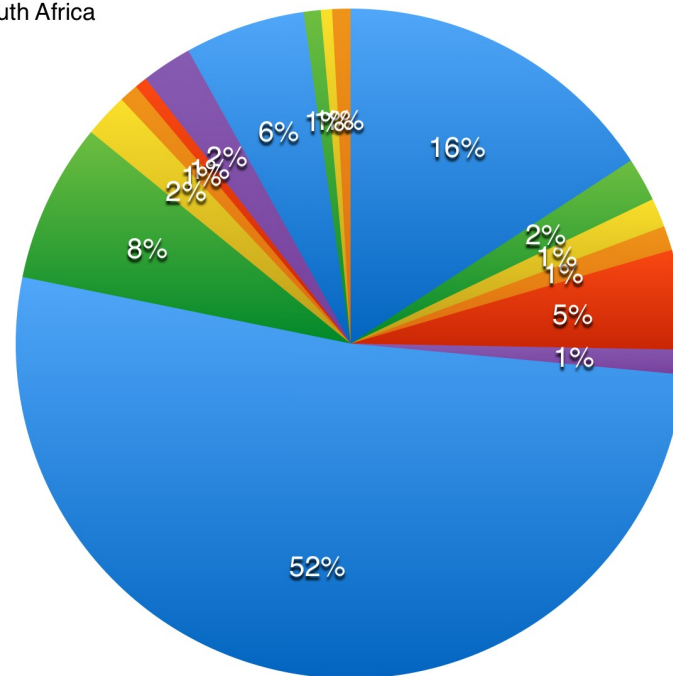
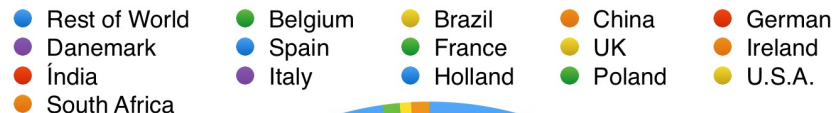
The Portuguese F&D industry

Food & Drink Trade Balance (2011)					
Sector	Imports	Exports	Balance	Production	Consumption
Food	8 400	3 400	-5 000	11 000	16 000
Drink	397	1 050	653	3 000	2 347

- 11,000 companies employing 95,000 people (2011)
- The average company employs 8,7 and generates a business of €1,3Million. That highlights the fragmented nature of the Portuguese food industry.
- The country is highly depending on imports to feed its population. It imports over 50% of its consumption, but we know the situation changed recently
- The drinks sector is a net exporter due to the relevance of the wines sector and beer exports to Angola
- However, most processing food sectors are dominated by one or two leading companies
- Main processing food companies in Portugal are in milk / dairy products (Lactogal), beer (Unicer, Centralcer), fats / oils / olive oil (Sovena, Fima /Unilever), processed cereals (Cerealis), coffee (Delta), fruit (Luis Vivente), soft drinks & juices (Compal)

Major Food & Drink Import Origins (2013)

ORIGIN	VALUE	
	€Million	%
Total	6 685	100,0%
Rest of World	1 056	15,8%
Belgium	141	2,1%
Brazil	93	1,4%
China	79	1,2%
Germany	322	4,8%
Danemark	80	1,2%
Spain	3 456	51,7%
France	514	7,7%
UK	142	2,1%
Ireland	62	0,9%
Índia	40	0,6%
Italy	163	2,4%
Holland	388	5,8%
Poland	55	0,8%
U.S.A.	36	0,5%
South Africa	59	0,9%

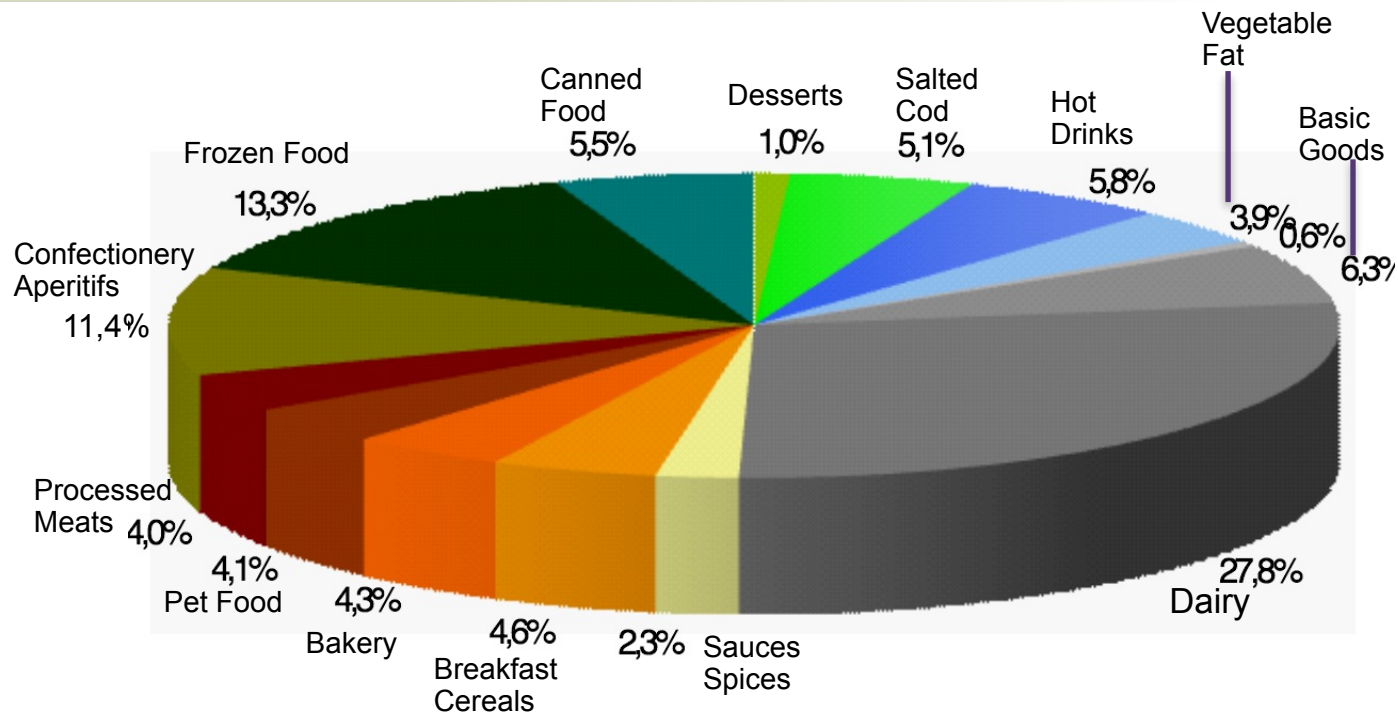


F & D Consumption trends

- The Food is part of the culture and offers an incredible variety for such a small territory
- The consumption increase at home renewed the interest in cooking / recipes / culinary events and TV programs / Chefs
- Back to basics / no frills / avoid features which increase prices
- A greater concern w/ an healthy lifestyle: more attention on packaging mention to ingredients, Omega3, Calcium, Fiber, Calories
- Little indulgences to deal with the crisis (chocolate, deli meats, cheese)
- Less brand fidelity / smart shopping

Food Consumption trends / retail

Category	2013 / 2012
Bakery	14%
Hot Drinks	12%
Pet Food	10%
Canned	9%
Vegetable Fat	8%
Confectionery	6%
Desserts	5%
Frozen	3%
Processed Meats	2%
Essential Goods	1%
Breakfast Cereals	0%
Salted Cod	-2%
TOTAL FOOD	4%

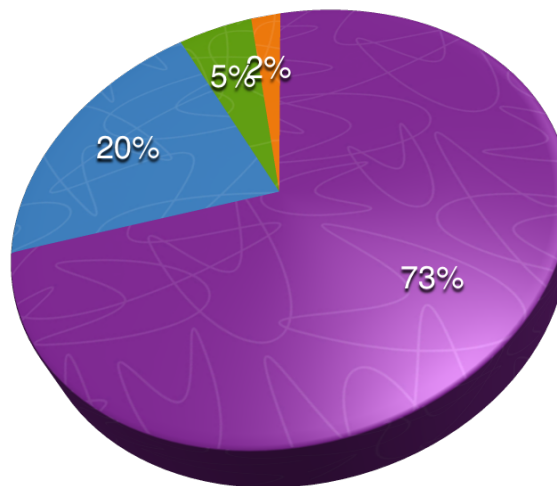


TOTAL FOOD VALUE 2013 = 5,225M€

Food Consumption trends / HORECA

	HORECA	
MAIN CATEGORY	% Value	% Var
HOT DRINKS	72%	-6%
CONFECTIONERY APERITIFS	20%	-14%
VEGETABLE FAT	5%	17%
BAKERY	2%	-18%
TOTAL VALUE (M€)	342	-8%

- HOT DRINKS
- CONFECTIONERY APERITIFS
- VEGETABLE FAT
- BAKERY



Food Consumption trends / retail

CEREALS NUTRITION	% Value	% Var	CONFECTIONERY APERITIFS	% Value	% Var	HOT DRINKS	% Value	% Var	SAUCES SPICES	% Value	% Var
Breakfast	51%	1%	Biscuits	40%	6%	Ground Coffee	63%	16%	Spices	26%	1%
Child Flour	21%	4%	Chocolate	30%	6%	Instant Coffee	20%	4%	Stock Seasoning	24%	0%
Homogenized	9%	-4%	Crisps	14%	9%	Tea & Infusions	7%	5%	Tomato Pulp	21%	2%
Cereal Bars	7%	-12%	Chewing Gum	6%	0%	Chcocolate Drinks	7%	7%	Mayonaise	15%	-1%
Dietetic Milk	6%	-7%	Aperitifs	3%	10%	DAIRY	% Value	% Var	Ketch-up	7%	-1%
Growth Milk	3%	-12%	Sweets	3%	7%	Cheese	30%	0%	Fondue Sauces	4%	7%
ESSENTIALS	% Value	% Var	Drops & Fruit J	3%	-2%	Yoghurt	27%	6%	Mustard	4%	1%
Rice	44%	-1%	Bread Spreads	2%	7%	Milk Standard	23%	-2%	FROZEN	% Value	% Var
Pasta	36%	3%	VEGETABLE FAT	% Value	% Var	Fermented Milk	6%	-8%	Fish	29%	2%
Wheat Flour	12%	3%	Olive Oil	46%	23%	Flavoured Milk	4%	-2%	Seafood	16%	-5%
Dry Vegetables	6%	2%	Table Oil	30%	-3%	Butter	4%	0%	Meal Components	15%	9%
Sweeteners	2%	0%	Margarine	23%	-2%	Cream	2%	3%	Ice Cream	14%	13%
CANNED	% Value	% Var	PROC MEAT	% Value	% Var	BAKERY	% Value	% Var	Vegetables	10%	8%
Fish	51%	13%	Cooked Ham	73%	0%	Prepacked Bread	64%	13%	Desalted Cod	9%	-3%
Vegetables	27%	4%	Cured Ham	27%	7%	Individual Cakes	36%	15%	Ready Meals	7%	-7%
Sausages	22%	8%									

Drink Consumption trends / retail

MAIN CATEGORY	RETAIL		HORECA	
	% Value	% Var	% Value	% Var
NON ALCOHOLIC	42%	0%	38%	-10%
BEERS	24%	20%	44%	-4%
WINES	19%	9%	11%	-8%
OTHER ALCOHOLIC	15%	2%	7%	-15%
TOTAL VALUE	1,327	6%	1,410	-7%

	RETAIL		HORECA	
	% Value	% Var	% Value	% Var
NON ALCOHOLIC				
Refreshing Drinks	71%	0%	64%	-10%
Water	27%	1%	36%	-9%

	RETAIL		HORECA	
	% Value	% Var	% Value	% Var
OTHER ALCOHOLIC				
Whisky	31%	1%	37%	-17%
Port Wine	18%	7%		
Sparkling Wines	18%	0%		
Aperitif Wines	9%	-7%	33%	-21%
Brandy / Cognac	5%	-3%	17%	-11%
Liqueurs	11%	4%	14%	-20%
Vodka	4%	0%	1%	-18%
Gin	3%	39%	2%	26%

F & D Consumption trends

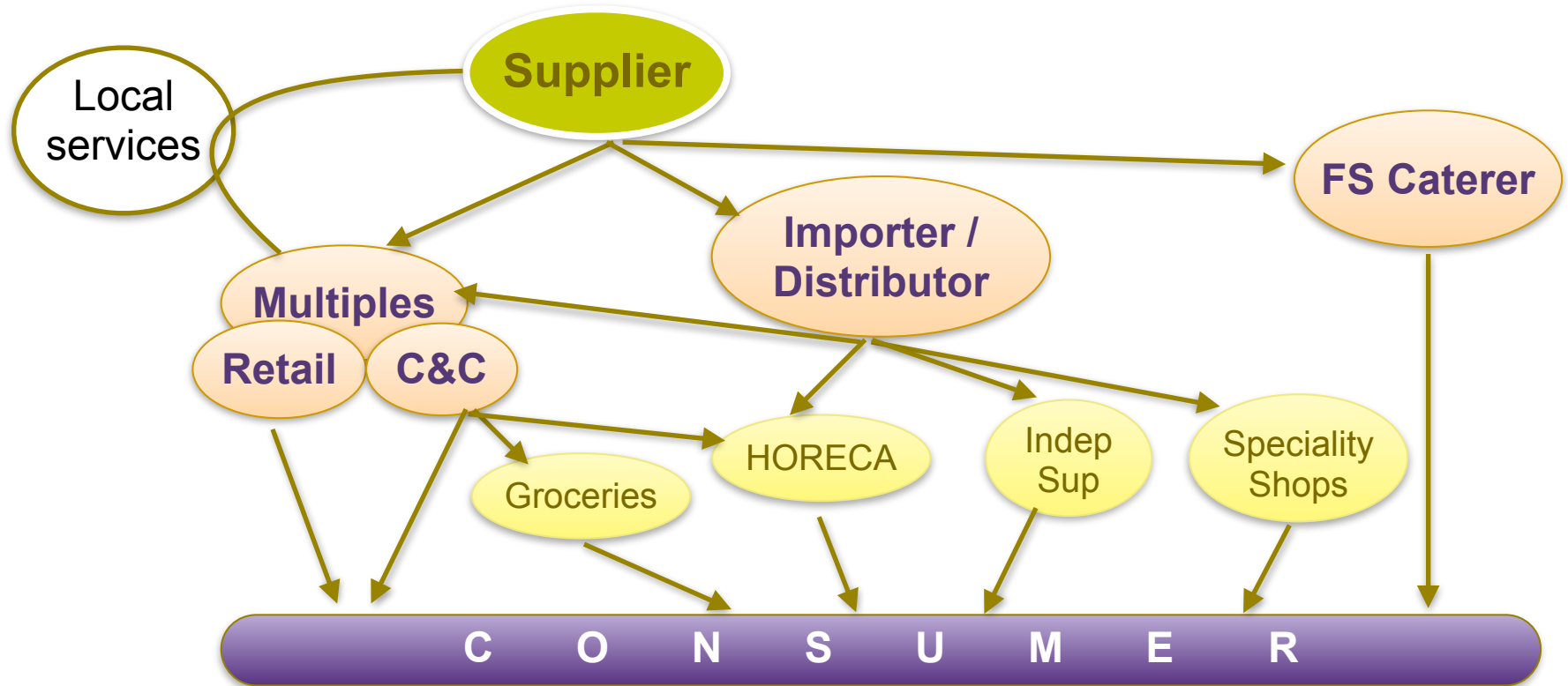


Belgian brands active in Portugal



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Alternative routes to market



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Past Case studies



OBJECTIVE

- Provide the consumers awareness, experiences and information about Malt Whiskies to improve their experience with Whisky and increase loyalty / involvement with the category

GSP RESPONSE

- Set up a Malt Whisky Connoisseurs Club in 2001 that people could join from the internet (www.whisky.com.pt), fill forms at events / tastings and worth-of-mouth from friends

OUTCOME

- The Club provided services to 20 Scottish brands and gathered over 3,000 Members, 1,000 of them active participating at events and buying whiskies
- It worked as a major PR platform for companies to launch their new products and to get back market / consumer info



Current Case studies



OBJECTIVE

- Lamb consumption in Portugal has been in a free fall unable to get new clients because neither it doesn't look attractive to the youngsters nor they don't know how to prepare it
- The product is sold in bulk which reinforces the commodity appeal

GSP RESPONSE

- Set up education programs with CONTINENTE butchers to educate them to take the best value out of the meat
- Contracted a well know Chef celebrity in Portugal to talk to consumers
- Organized in-store animation with the Chef to communicate with consumers supported by communication leaflets



Current Case studies /



OBJECTIVE

- To expand the distribution channels for FROSTA, a leading German co in Fish coated products and value-added salads



GSP RESPONSE

- Set up meetings with leading retailers (CONTINENTE), food caterers (SOGENAVE), and importers (AVILUDO) to present FROSTA range and get new business contracts



OUTCOME

- Already got products listed at SOGENAVE and well advanced discussions with SONAE for a Private Label project with Fish Fingers



**Thank you for your
time!**

**Green Seed
Portugal
&
You
Is
...**

A
WINNING
TEAM!

