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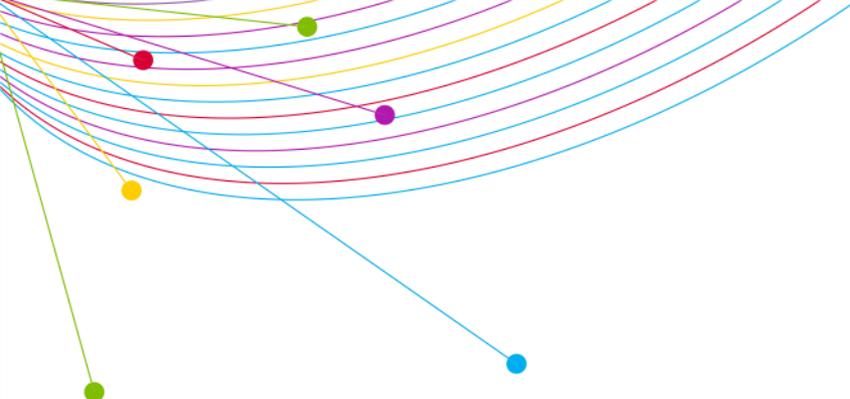
GROCERY UNIVERSE 2016

RESULTS OF THE 54TH INVENTORY OF RETAIL
GROCERY IN BELGIUM, DRAWN UP BY NIELSEN.

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RESEARCH

1. NIELSEN IN BRIEF

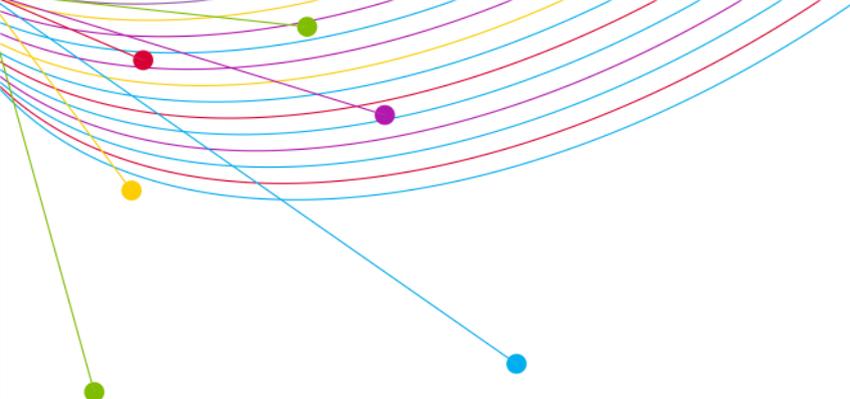


THE NIELSEN COMPANY

For 92 years Nielsen services have been making the FMCG (Fast Moving Consumer Goods) market visible and comprehensible for manufacturers and retailers. Nielsen is the world's leading provider of information and market analysis in the consumer and service sectors thanks to the quality of its data, the accessibility of its analyses, the expertise it has built up over more than 92 years of practical experience and the rapidity with which it communicates its findings.

- Established in the United States in 1923 by Arthur C. Nielsen
- Operates in over a hundred countries
- Active in Belgium since 1954
 - Over 200 regular clients
 - Studies more than 400 product categories

This overview represents the results of the 54th inventory of the world of retail grocery sector, drawn up every year by Nielsen.



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RESEARCH

2. THE ECONOMY & RETAIL IN 2015

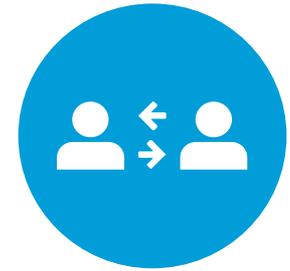




Refugee crisis roils
EU



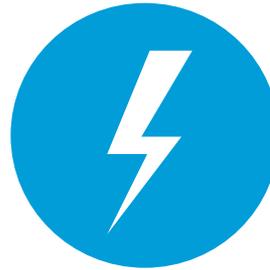
Global climate change
agreement



Ahold – Delhaize
merger announcement



Microsoft introduces
Windows10



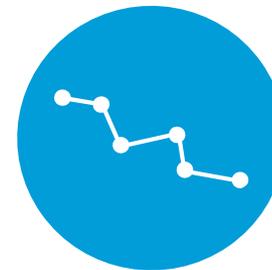
Terrorism strikes on



EEU :
Eurasian Economic Union



Flowing liquid water found
on Mars



Greek debt drama

BELGIUM: THE NIELSEN BAROMETER EVOLUTION

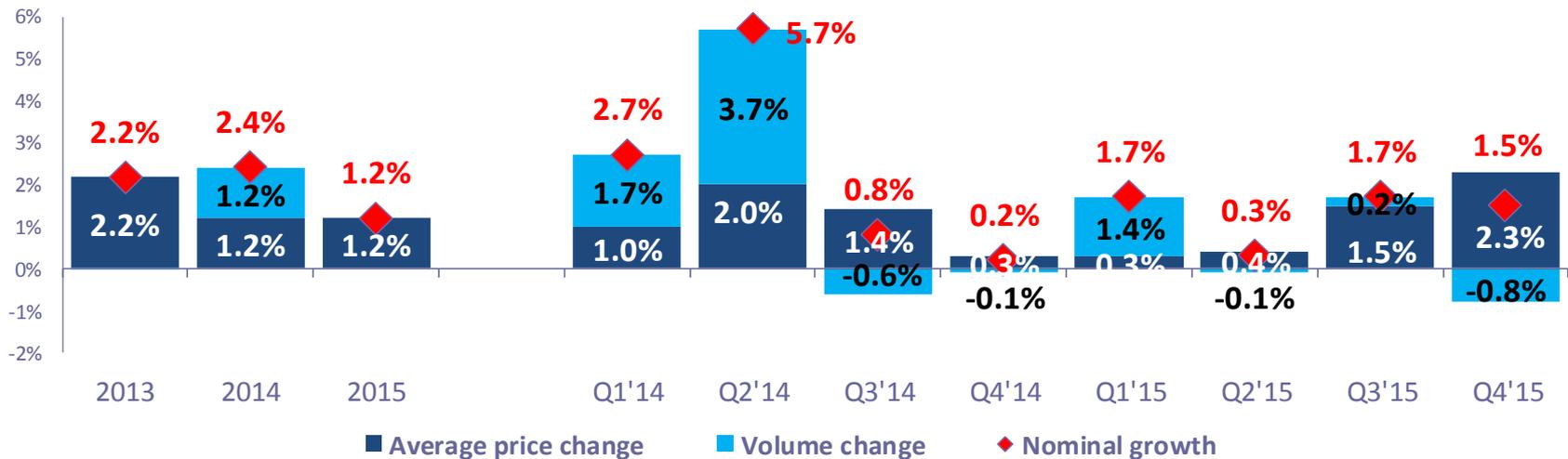
The turnover has grown by +1.2% thanks to the price inflation. The volume remained steady.

FMCG: Food & Non Food	Sales Value	Sales Volume	Price of Package Sold
% 2015 vs 2014	+1.2%	+0.0%	+1.2%
% 2014 vs 2013	+2.4%	+1.2%	+1.2%
% 2013 vs 2012	+2.2%	+0.0%	+2.2%
% 2012 vs 2011	+2.2%	+0.1%	+2.1%
% 2011 vs 2010	+3.2%	+0.8%	+2.4%

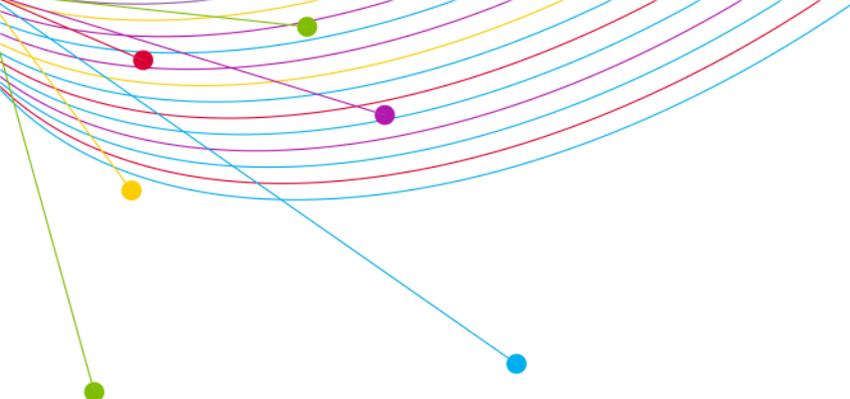
(*) The Nielsen Barometer shows the trend as a percentage of sales of a representative group of FMCG products in the retail sector in Belgium

BELGIUM: FMCG TRENDS PER YEAR AND PER QUARTER

Q1 and Q3 2015 show a volume increase. The price mix drives the performance on Q2 and Q4.



Source: Nielsen Growth Reporter



nielsen
research

3. NIELSEN GROCERY UNIVERSE 2015



DEFINITION OF THE GROCERY UNIVERSE

The grocery sector includes the following:

1. Retail stores in Belgium selling at least four of the following food categories:
 - Edible fats
 - Canned goods
 - Bottled drinks
 - Drinks in the form of solid substances (e.g. coffee and tea)
 - Pasta
 - Confectionery
2. 'Food' sales also have to represent at least 40% of total turnover

Are excluded:

1. Stores that generate more than 50% of their turnover through the sale of meat products or fish and shellfish.
2. Stores specialising in diet foods.
3. Stores that are part of petrol stations (e.g. Yelloh, Shop 'n Go, etc...)

Turnover

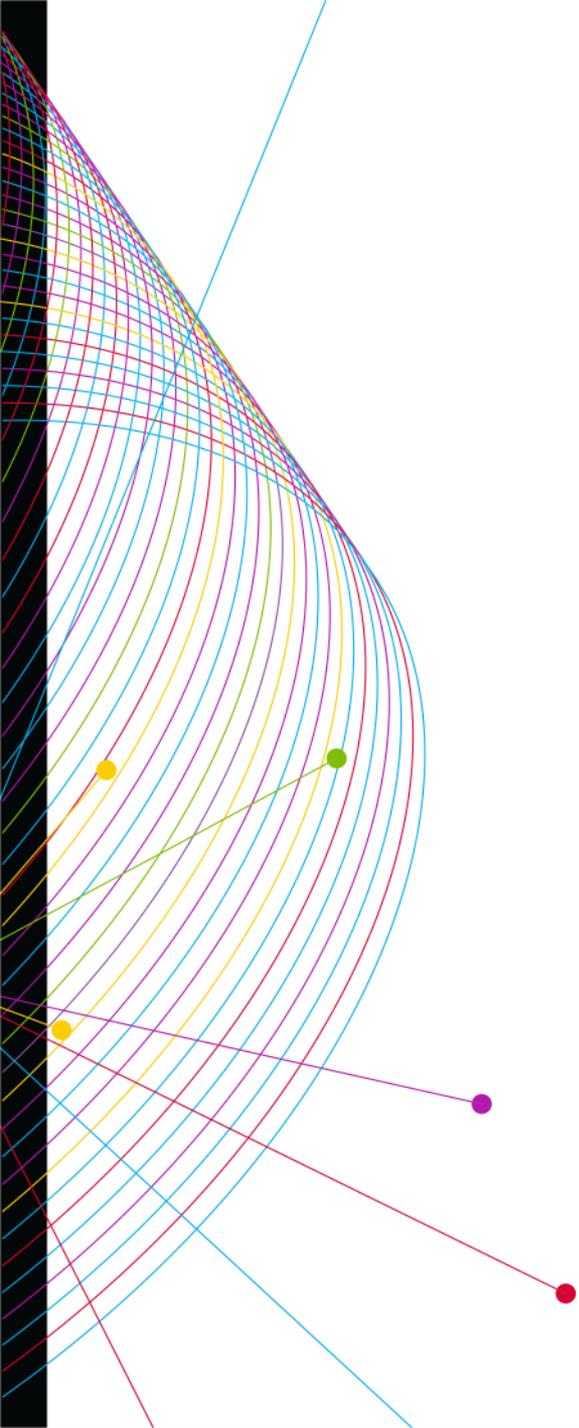
We take into account the total turnover generated during the course of the past year.

For stores that only opened during the course of the year, sales are extrapolated for a full year. For stores that closed during the course of the year, Nielsen assumes that no sales at all were made in that year.

For hypermarkets, only the turnover for the food, paper products, care products and cleaning products departments is taken into account.

DEVELOPMENTS IN 2015

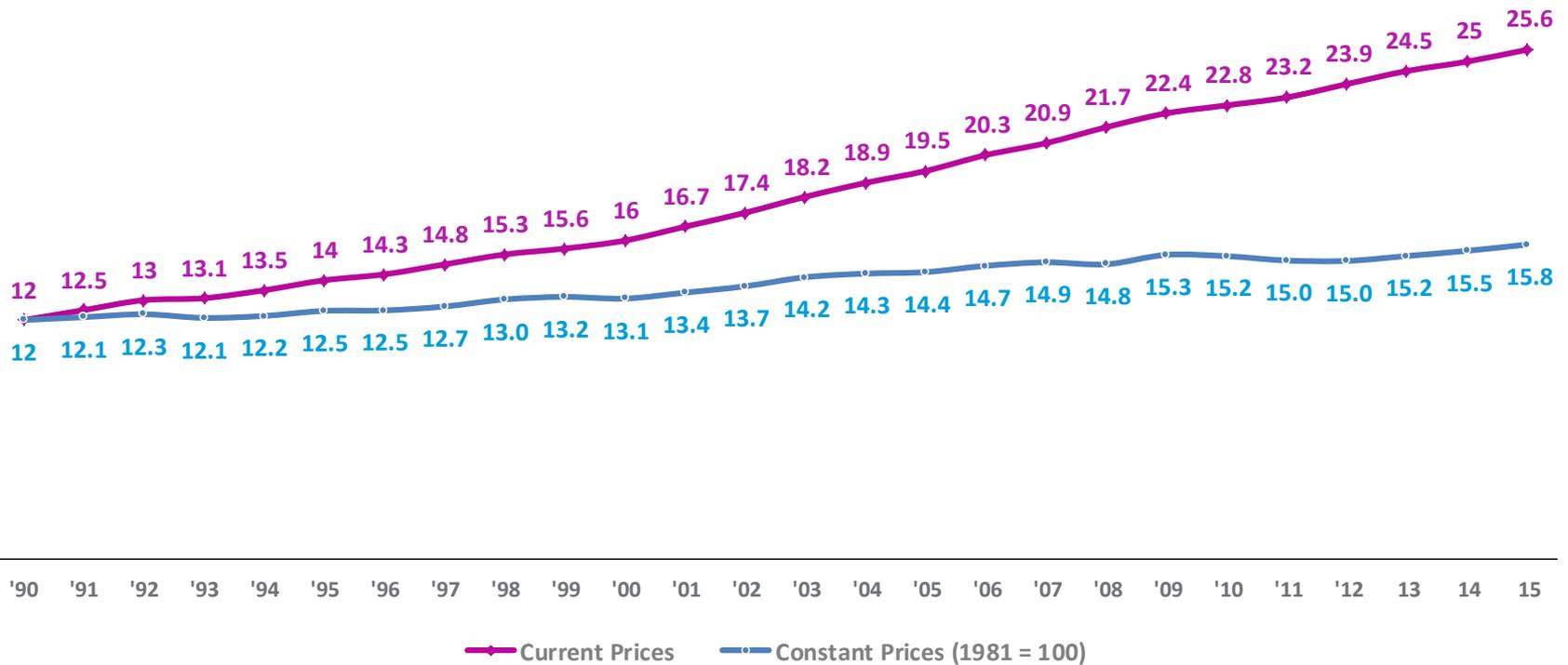
- **Domestic consumption** increased slightly (+ 1.6%) while the importance of the Grocery Universe increased by +0.1 pt. Households have spent relatively more in the Grocery Universe compared to their total expenditure.
- The turnover of the Grocery Universe rose to **EUR 25.5 billion** in 2015. This means a +2.4% increase compared to the year before. In 2015, the inflation rate was 0.6%, which is higher than in 2014. This means that the turnover in constant has grown by 1.9%.
- There were **7 161 stores** in the universe in 2015. This is 42 stores less than 2014. Between 2005 and 2015, the number of points of sale fell on average by 116 stores per year. Between 1995 and 2015, on the other hand, an average of 290 stores closed per year.
- The share of **F1** declined slightly by -0.4pt to 49.9% with the closing of 4 stores, bringing their total to 605 stores in 2015.
- **F2** has increased its market share up to 29.6% which represents an increase of +0.8pt versus 2014. F2 opened 24 new shops (1344 in total)
- Hard Discount lost -0.4pt to a 15.7% market share in Belgium. Its number of shops has decreased as well to 735 shops (-2 stores versus 2014).
- The market share of **F3** keeps on declining. In 2015 they lost -0.1 points to 4.7%. The number of stores also decreased to 4 477 stores (-60 stores vs 2014).



3.1 TURNOVER AND INFLATION

TURNOVER GROCERY UNIVERSE IN BILLIONS OF EURO

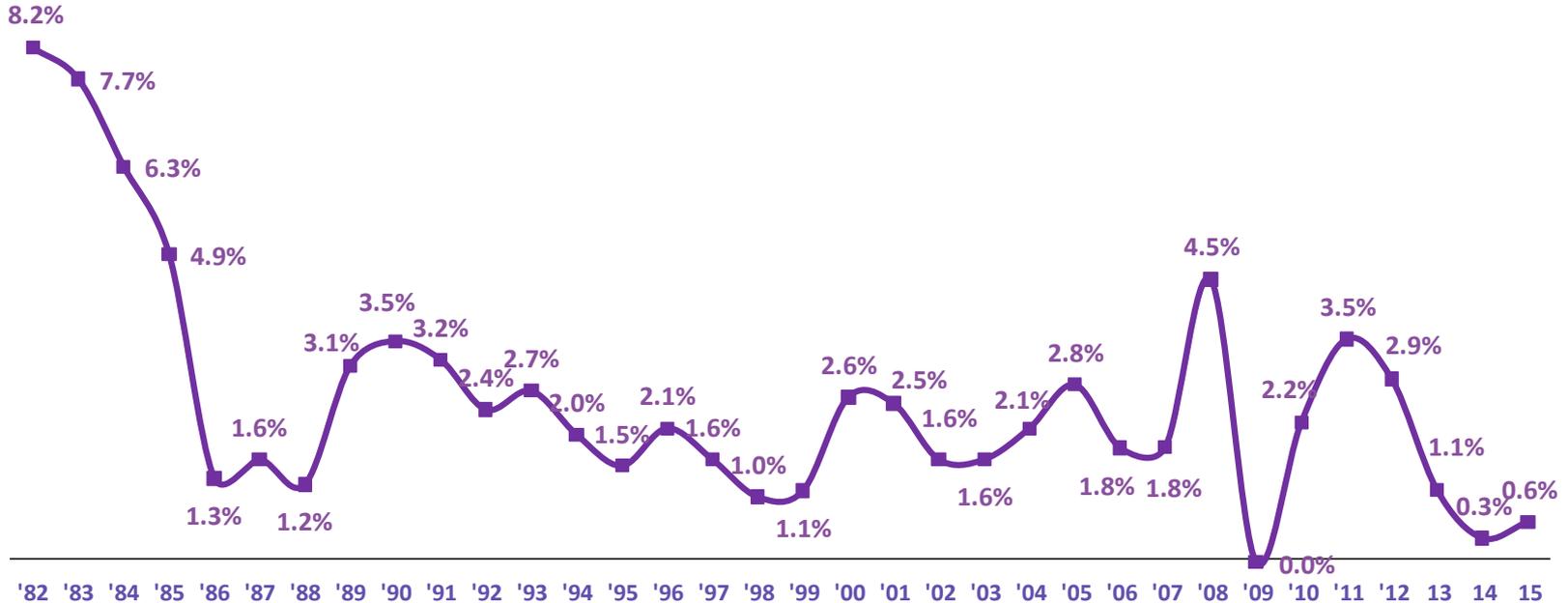
Turnover of the Grocery Universe increased by +2.4% to 25.6 billion euro in 2015. When eliminating the effect of the inflation, evolution turnover at constant price remains positive.



Current Prices: Prices including inflation
 Constant Prices: Prices excluding inflation

INFLATION PER YEAR

The inflation rate has globally decreased over the past years and reached 0.6% in 2015.

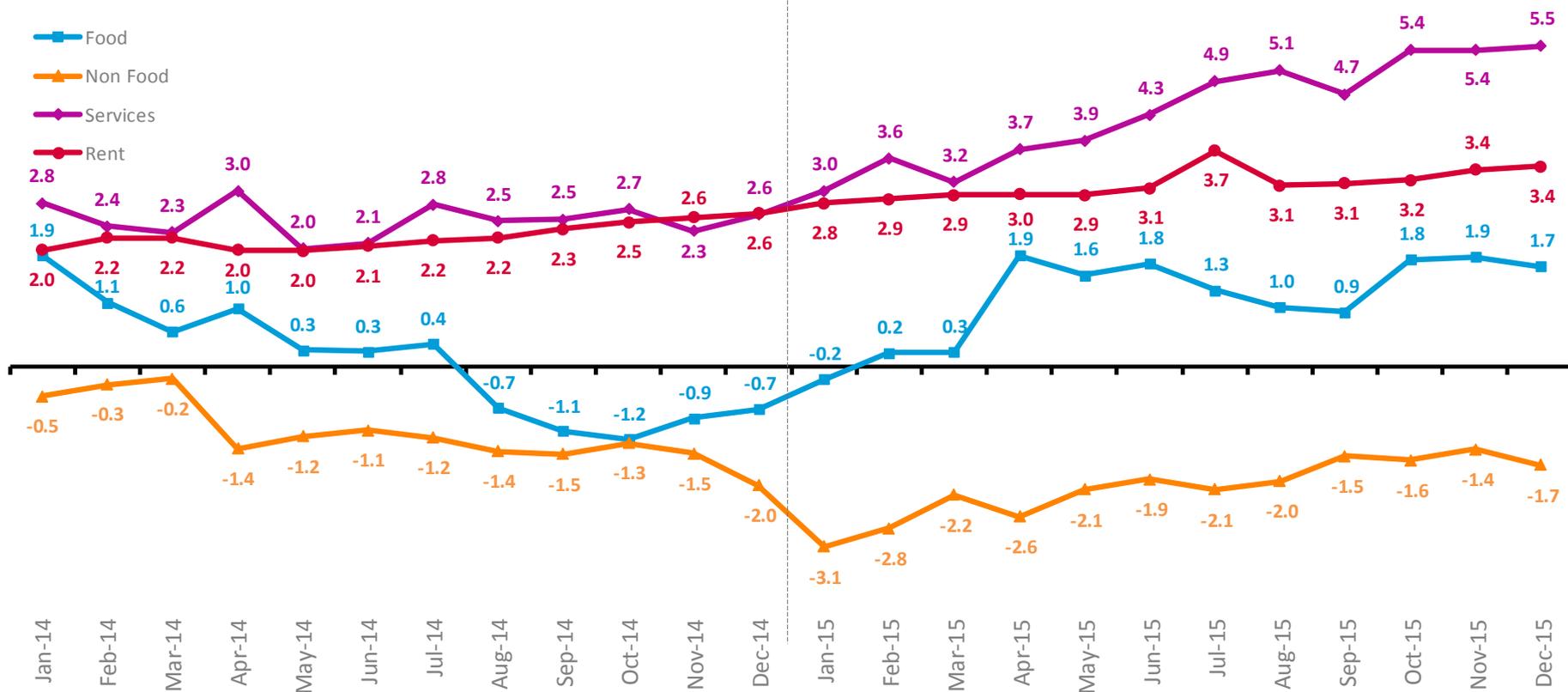


Source: Federal Public Service for the Economy, SME's, Self-employed and Energy

INFLATION PER TYPE OF PRODUCT/SERVICE

Highest inflation rate is noticed in Services in 2015.

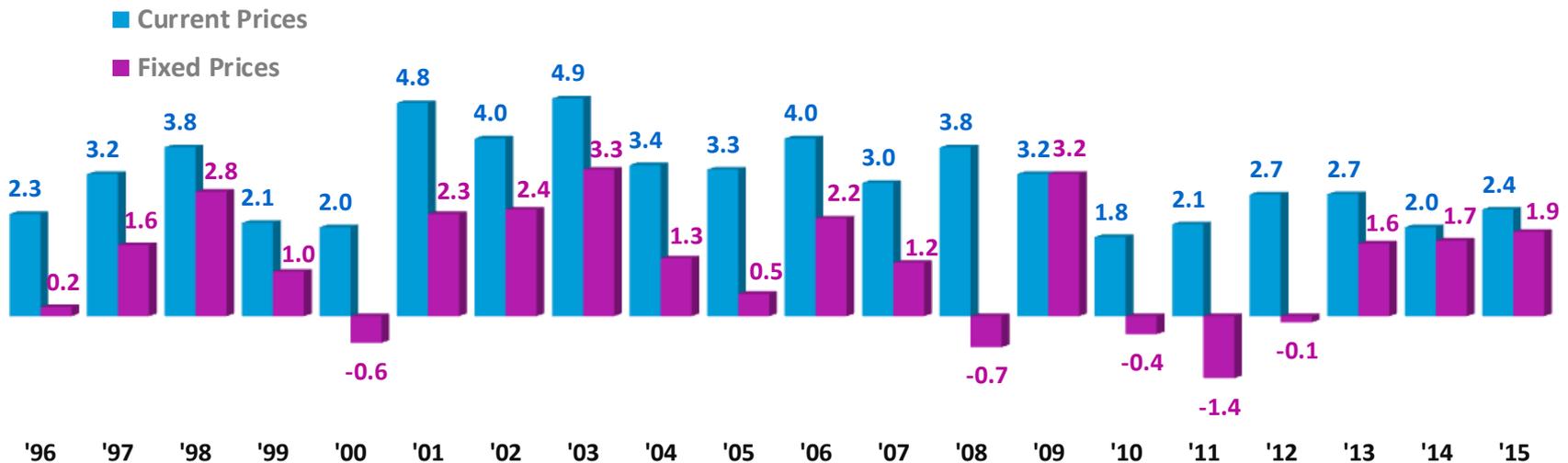
Food inflation recovered over 2015. On the other hand, Non-Food inflation has been decreasing and negative.



Source: Federal Public Service for the Economy, SME's, Self-employed and Energy

EVOLUTION TURNOVER GROCERY UNIVERSE VERSUS YEAR BEFORE

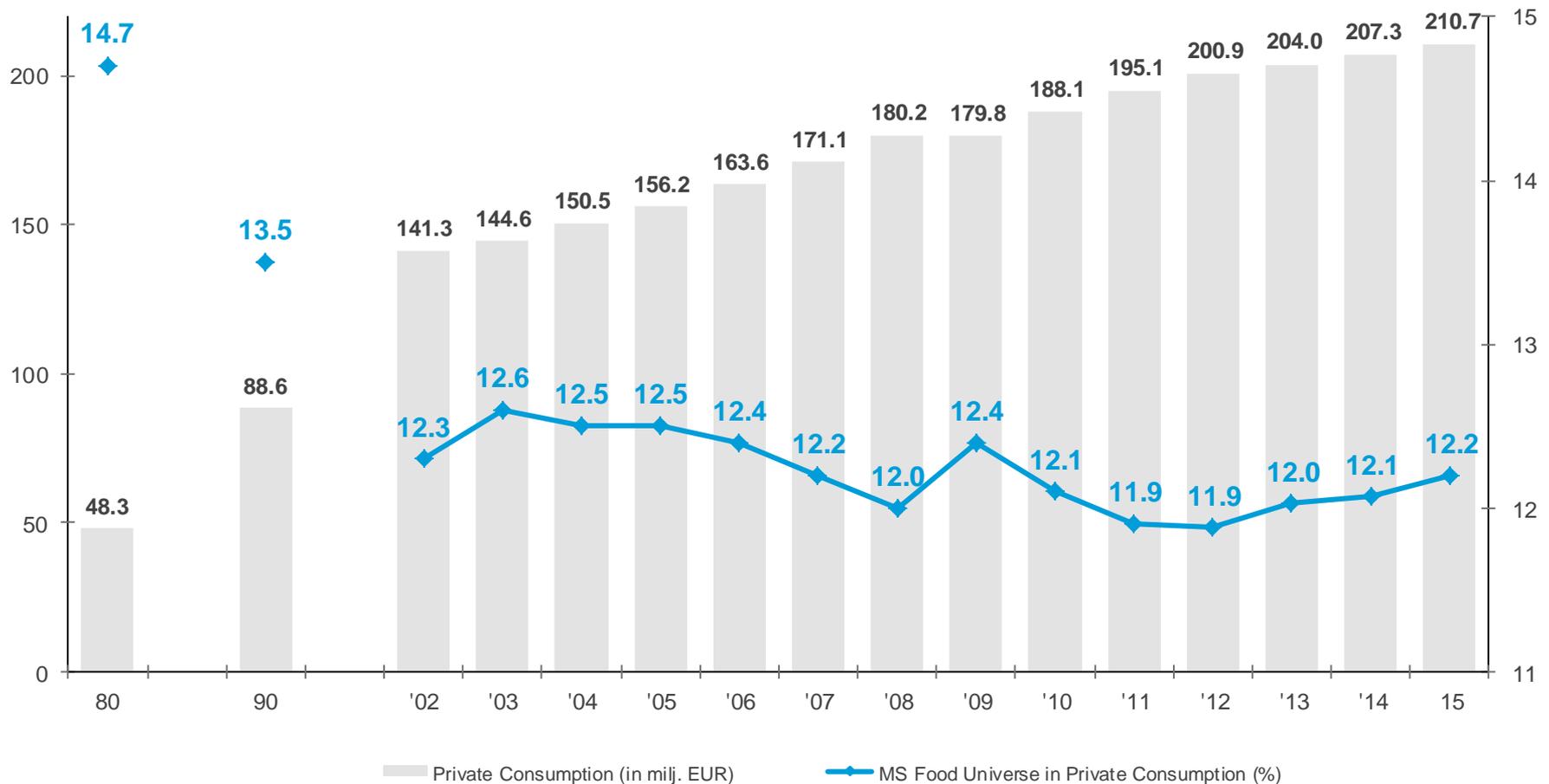
Even without the effect of the inflation, turnover at constant prices has increased by 1.9%.



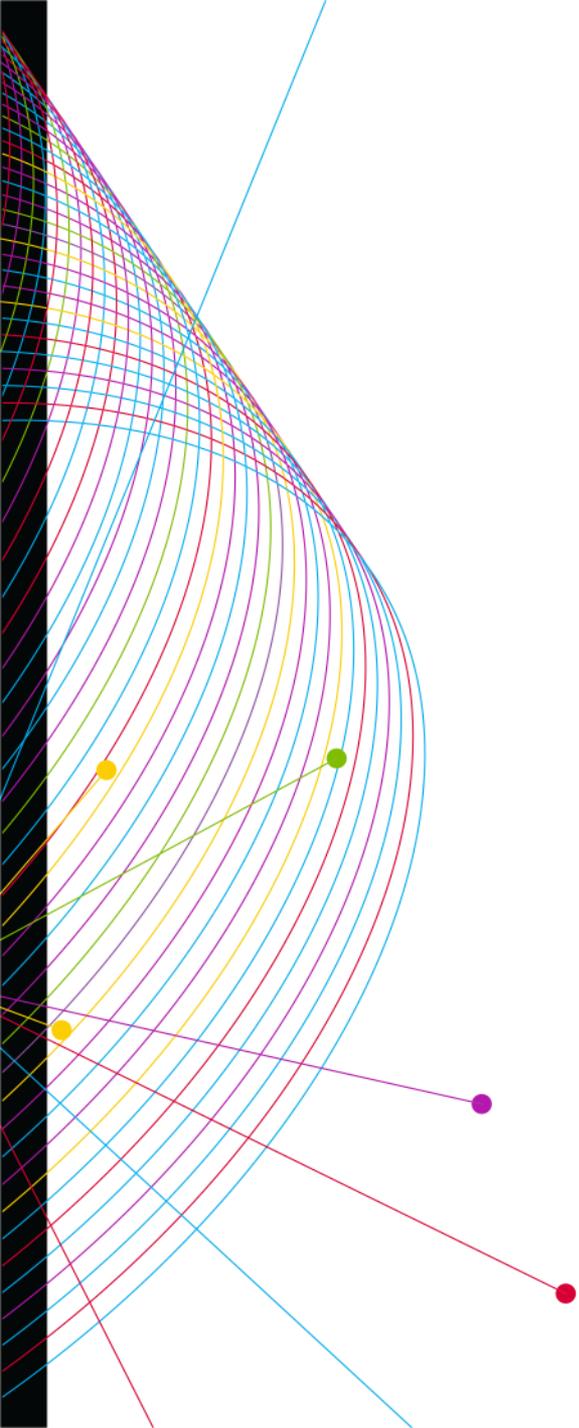
Current Prices: Prices including inflation
Fixed Prices: Prices excluding inflation

FOOD UNIVERSE MARKET SHARES IN TOTAL PRIVATE CONSUMPTION

Over the past 3 years, the grocery universe has slightly become more important in our total expenditure.



Source: National Bank of Belgium - Nielsen Food Universe



3.2 NUMBER OF STORES

BELGIUM | RETAIL UNIVERSE

Definition Shop Types

F1 : LARGE DISTRIBUTION, HYPERMARKET (Limited Panel)

- CARREFOUR GROUP BELGIUM : Carrefour Hyper, Carrefour Market, Mestdagh Group
- COLRUYT GROUP : Colruyt
- DELHAIZE GROUP : Delhaize Supermarket
- LOUIS DELHAIZE GROUP : Match, Cora*

F2 : AVERAGE SIZE DISTRIBUTION, SUPERMARKET

- CARREFOUR GROUP BELGIUM: Carrefour Market (Franchise)
- COLRUYT GROUP : Spar Retail (Retail Partners Colruyt Group), Okay
- DELHAIZE GROUP : AD Delhaize, Proxy Delhaize, Red Market
- INTERMARCHE GROUP : Intermarché
- LOUIS DELHAIZE GROUP : Smatch
- Other Supermarkets from 400m²

F3 : SMALL DISTRIBUTION

All self service shops with a selling surface of less than 400m² (e.g. Spar (Retail Partners Colruyt Group), Carrefour Express, Supra et Spar (Lambrechts), Louis Delhaize (Louis Delhaize Group) not included above), and all shops with a “traditional service” (e.g. night-shops”).

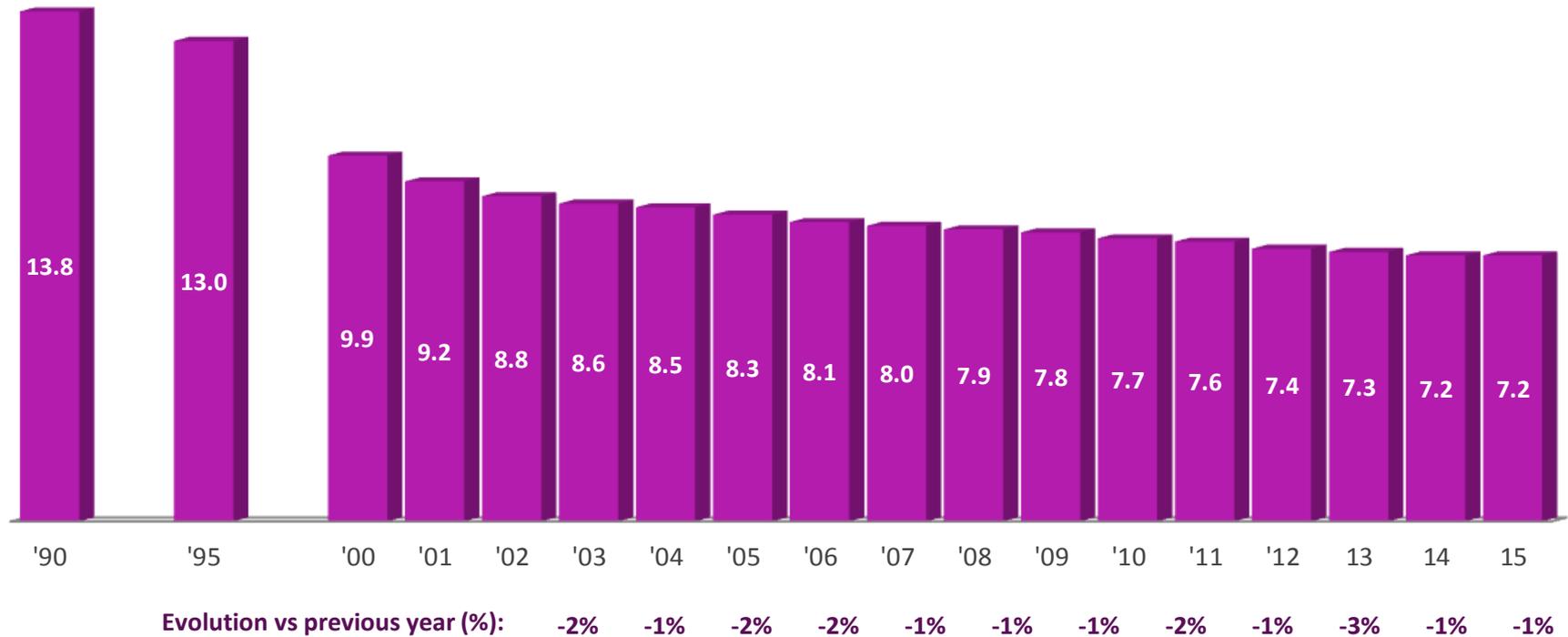
HD : HARD DISCOUNTERS Aldi & Lidl

Open Market
=
F1 + F2 + F3

* CORA is included in F1 in the Food Universe and in F0 in scanning !

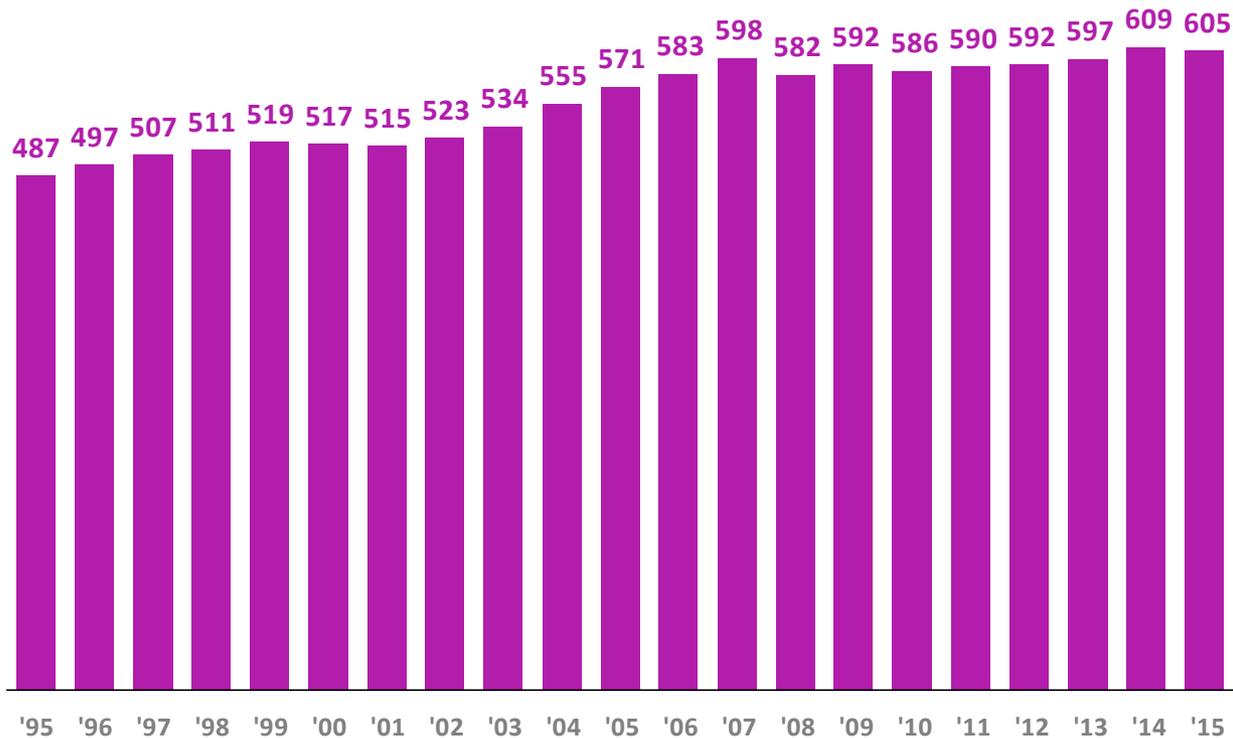
NUMBER OF STORES IN THE GROCERY UNIVERSE

There are 7 161 grocery stores in Belgium (-42 stores). The number has (steadily) decreased over the last decades because of a more intense and centralized organisation of the universe.



NUMBER OF F1 STORES: LARGE SCALE DISTRIBUTION

The large scaled distribution consists of 605 stores and, after having opened more and more shops over the past few years, has closed 4 stores in 2015.



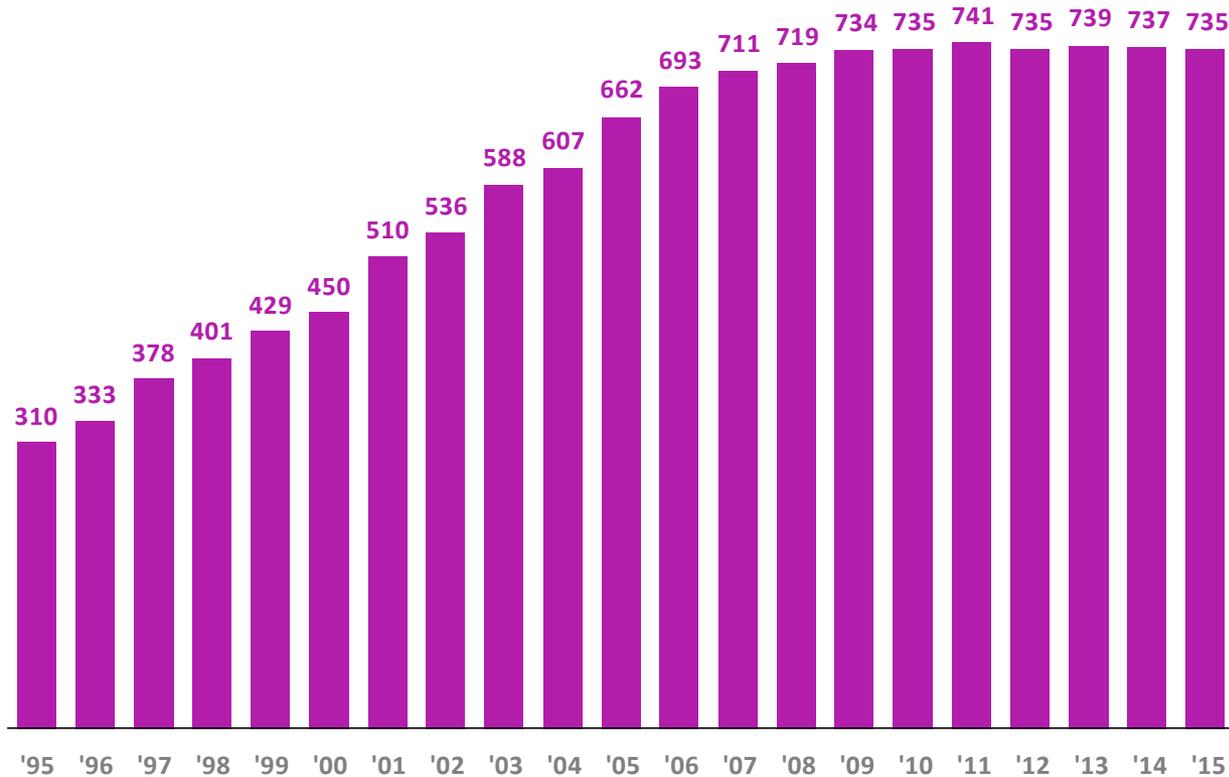
NUMBER OF F2 STORES: MEDIUM-SIZED DISTRIBUTION

After the closing of less profitable shops from 1996 to 2004, the number of F2 stores (mostly franchised) has increased over the past years bringing the total to 1 344 stores in 2015 (+24).



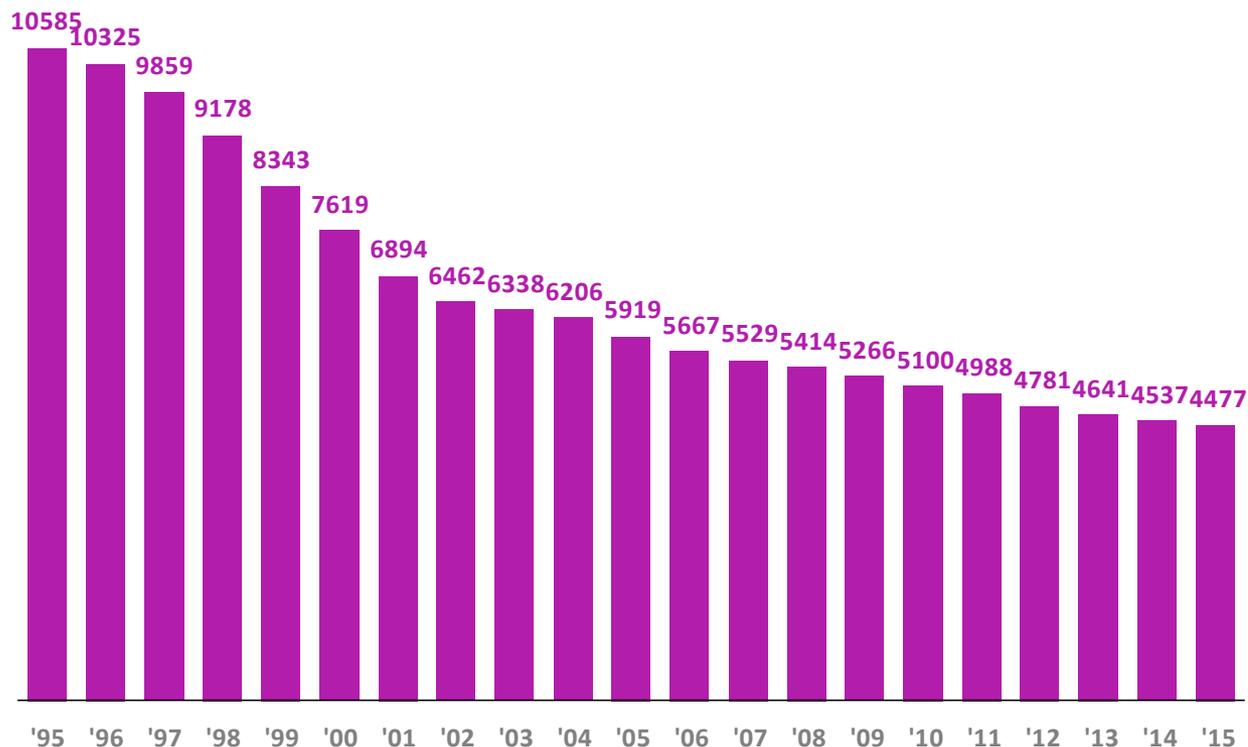
NUMBER OF HARD DISCOUNT STORES

The number of Hard Discount stores has increased sharply over the beginning of years 2000. Since 2010, the growth rate has slowed down and slightly declined over 2015. Today Hard Discounters have 735 stores in Belgium. They have lost 2 shops compared to 2014.



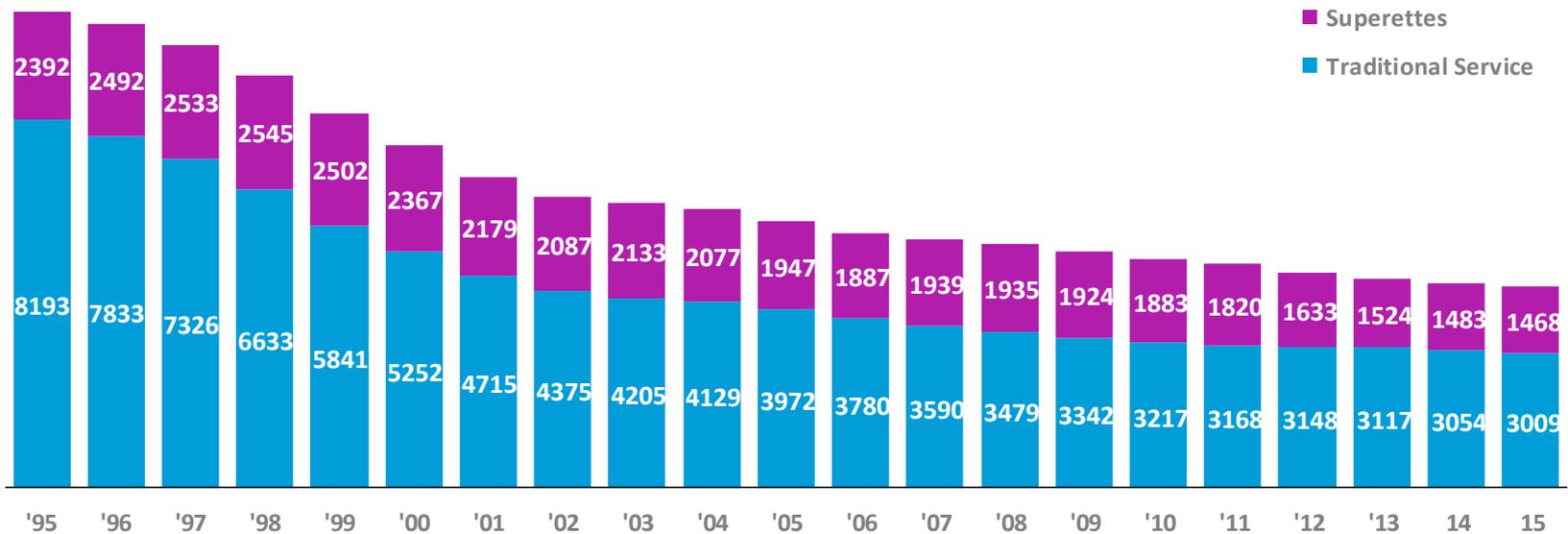
NUMBER OF F3 STORES

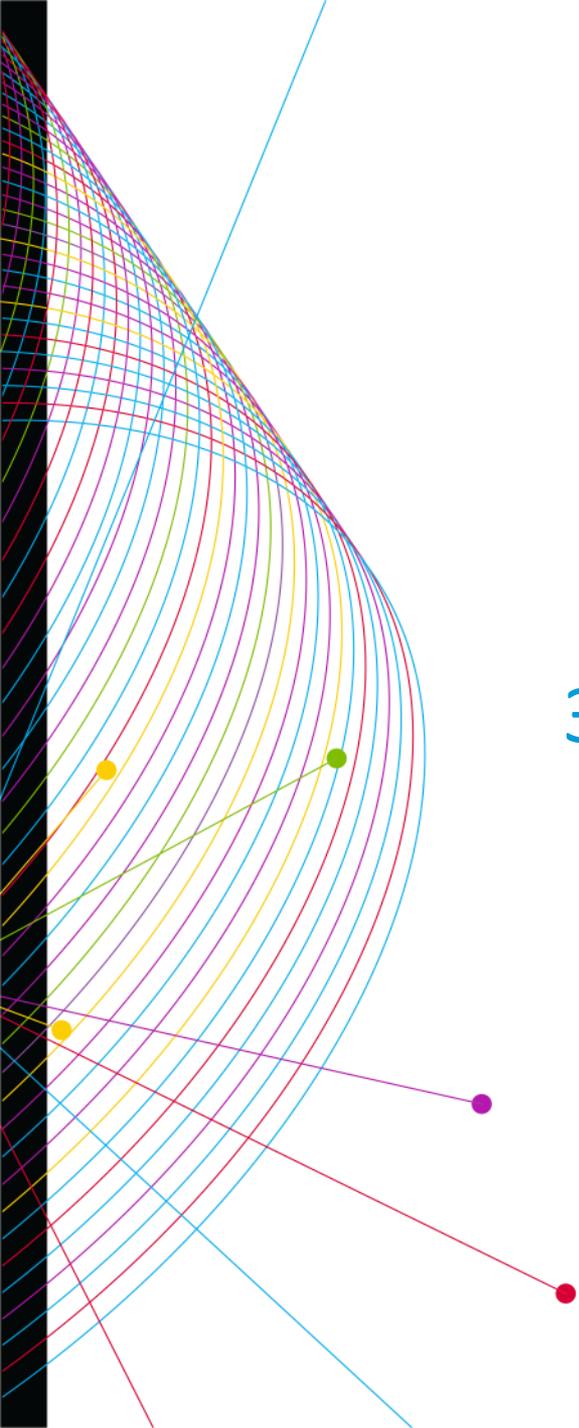
The small retailers are the first reason to explain the declining number of grocery stores in Belgium. F3 stores tend to close down because they are less profitable. They amounted to 4 477 stores in 2015. Reasons for the decline in F3 : increasing competition from organized supermarkets, inadequate sales and profit, no funds to invest.



NUMBER OF F3 STORES: SUPERETTES AND TRADITIONAL STORES

In 2015 more traditional stores (-40) than superettes (-15) closed down. The increasing competition of supermarkets, inadequate sales and profit and the lack of funds to invest explain the F3 decline.

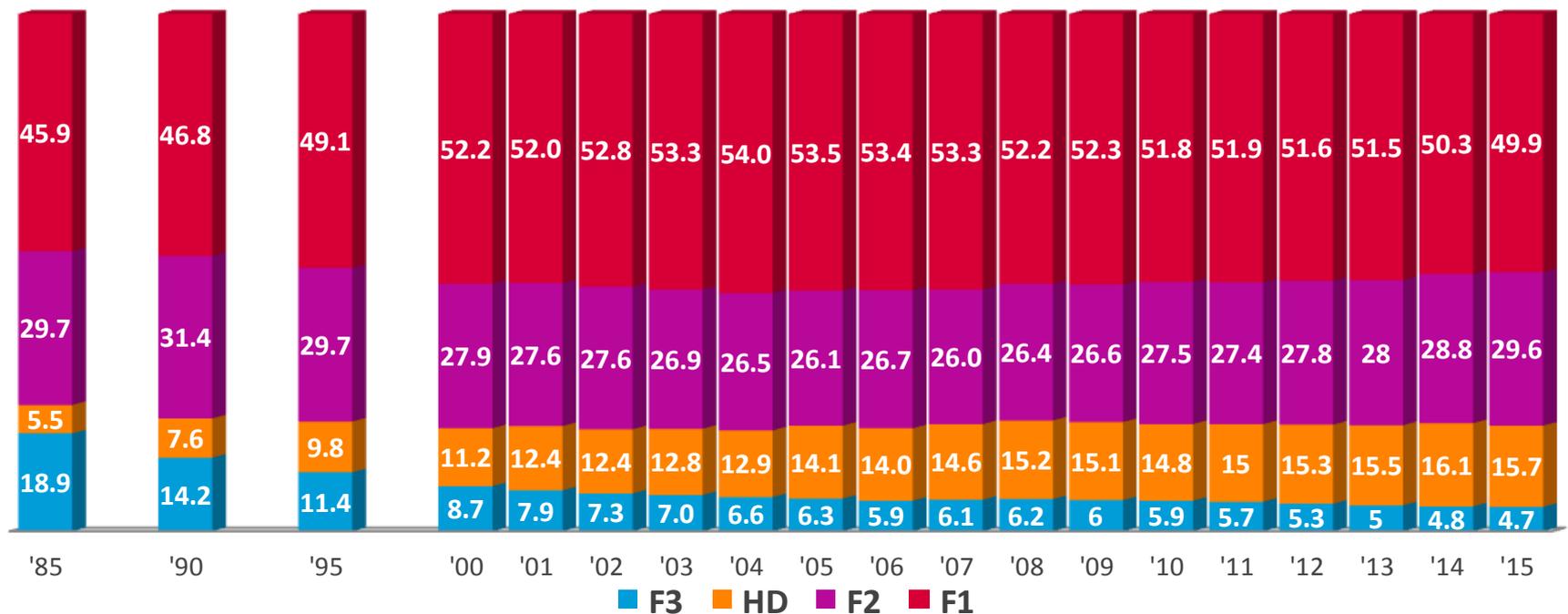




3.3 MARKET SHARE BY SHOP TYPE

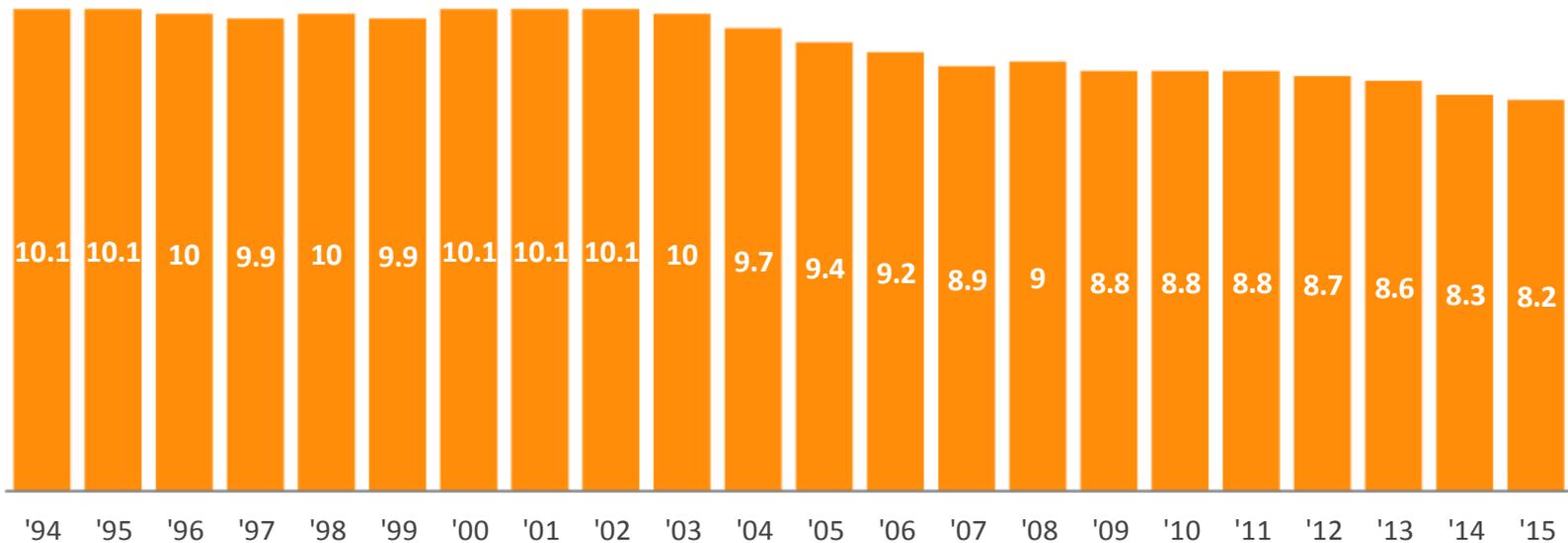
MARKET SHARES BY SHOP TYPE

Even if they only own 605 stores (8.4% of the number of stores in the Grocery Universe) F1 has a 49.9% market share and remained relatively steady compared to 2014. F3 and HD have lost MS to the benefit of F2 that has increased over the last decade.



F1: MARKET SHARES PER 100 STORES

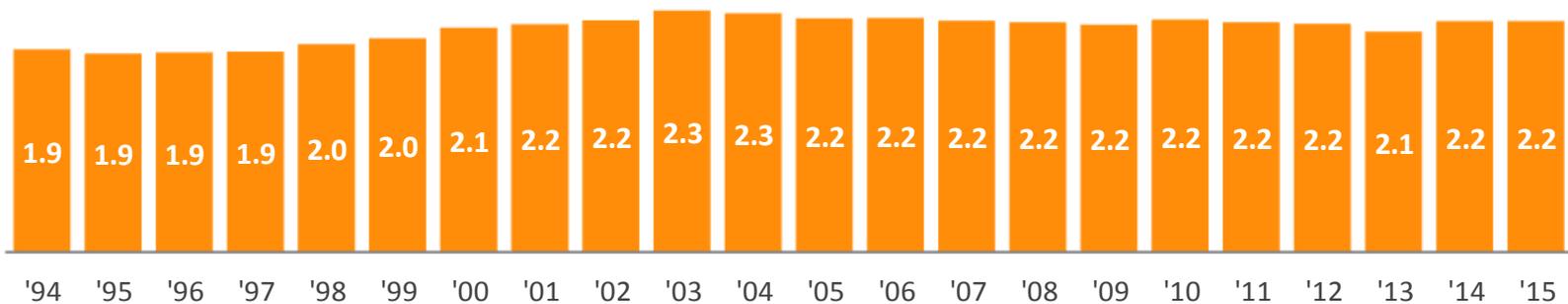
The F1 market share per 100 stores has been declining over the past 4 years, especially over 2014. The MS per 100 stores loss in 2015 is less important than it was in 2014.



The market share per store indicates the importance of one average store. So the effect of openings is neutralised and it is possible to examine whether a given store remains equally important over time.

F2: MARKET SHARES PER 100 STORES

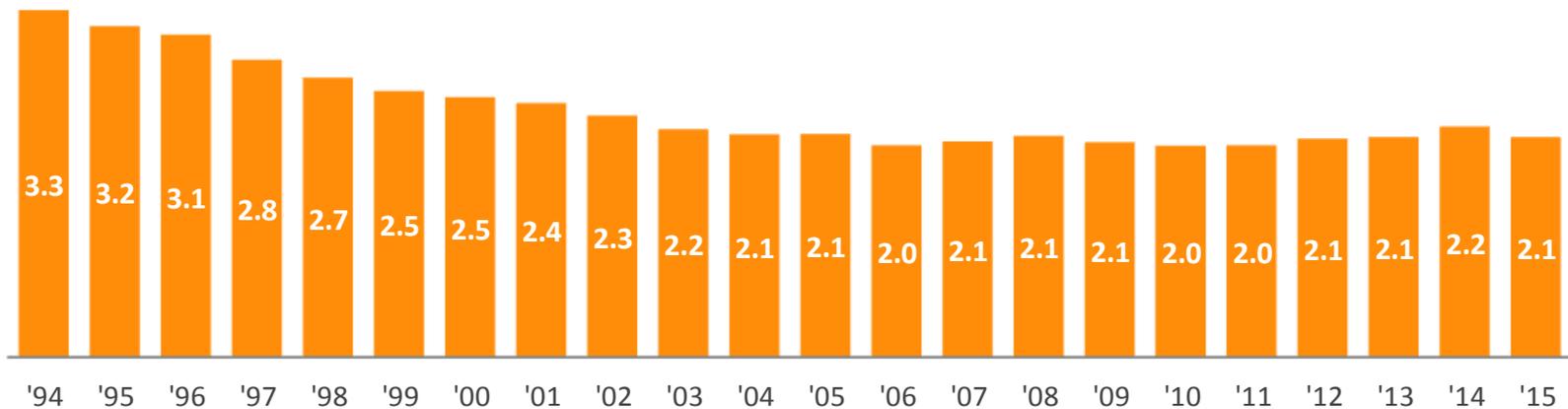
Despite a MS loss in 2013, the F2 MS for 100 stores has remained steady over the past 10 years.



The market share per store indicates the importance of one average store. So the effect of openings is neutralised and it is possible to examine whether a given store remains equally important over time.

MARKET SHARES PER 100 HARD DISCOUNTERS

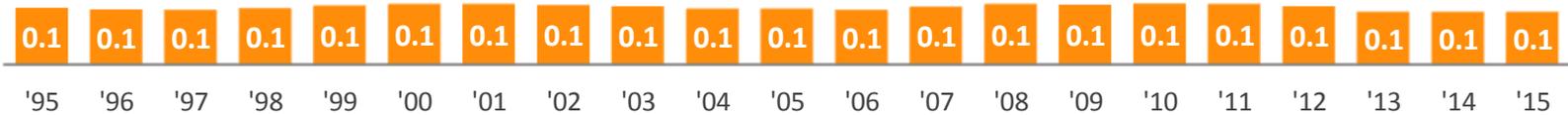
The Hard Discount MS per 100 stores declined until 2006 but has remained rather steady since then.



The market share per store indicates the importance of one average store. So the effect of openings is neutralised and it is possible to examine whether a given store remains equally important over time.

MARKET SHARES PER 100 F3 STORES

The F3 market share per 100 stores remains low but stable over time.

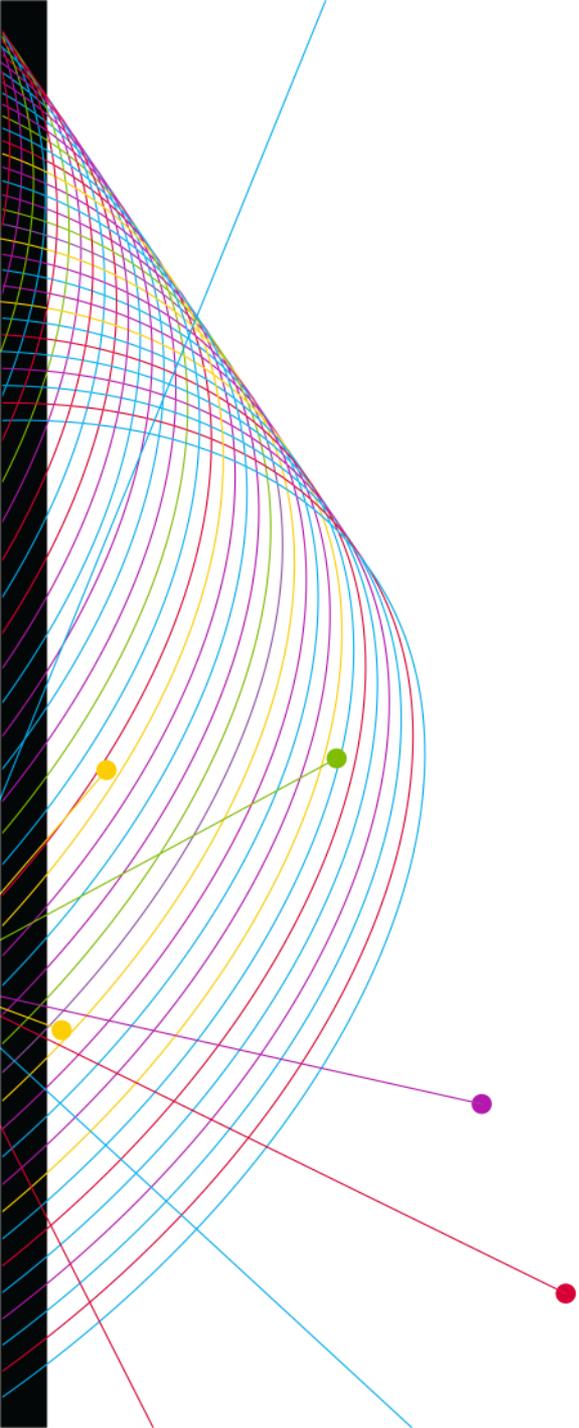


The market share per store indicates the importance of one average store. So the effect of openings is neutralised and it is possible to examine whether a given store remains equally important over time.

TURNOVER PER STORE IN 1000 EUR

In average a F1 shop generates four times the turnover generated by a F2 shop or by Hard Discount. F3 shops have an average turnover of 270 000 EUR only. They often have to close down because of loss-making. Only stores that offer specific advantages (Sunday openings, etc.) are able to create added value and keep up with the competition.

	Average Store	F1	F2	HD	F3
2005	2 340	18 249	4 340	4 148	207
2006	2 489	18 572	4 519	4 098	210
2007	2 604	18 638	4 594	4 299	229
2008	2 736	19 440	4 744	4 576	249
2009	2 860	19 775	4 845	4 585	255
2010	2 971	20 122	5 045	4 595	263
2011	3 069	20 442	5 086	4 698	267
2012	3 232	20 820	5 194	4 973	263
2013	3 365	21 139	5 242	5 139	266
2014	3 474	20 659	5 459	5 458	267
2015	3 579	21 137	5 654	5 489	270



3.4 SALES SURFACE

SALES SURFACE IN 2015

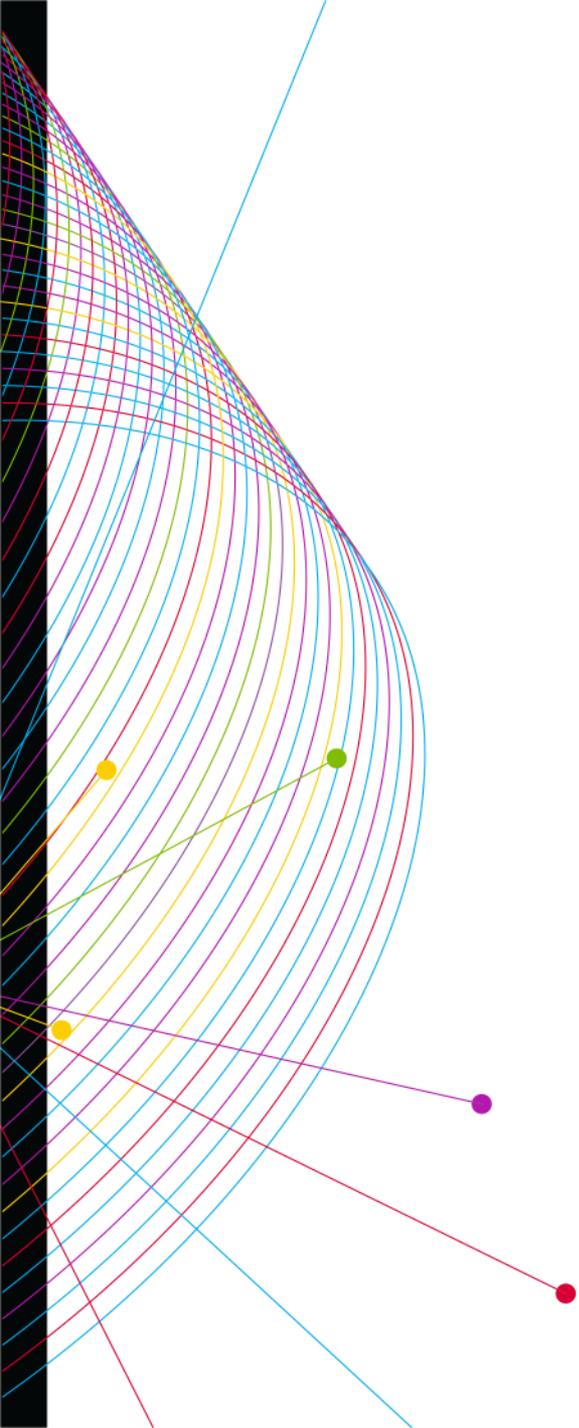
The total sales surface in the grocery universe reaches 3.56 million m². F1 and F2 store types have the largest total sales surface. However, the sale surface per store is bigger for the F1 shops than for F2.

	Sales surface area (m ²)	Number of stores	Average sales surface (m ²) per store
F1 Stores	1 221 705	605	2 019
F2 Stores	1 150 381	1 344	860
Hard Discount	441 000	735	600
F3 Stores	752 948	4 477	168
Total	3 556 034	7 161	

SALES SURFACE IN 2015

The F1 share sales surface is significantly smaller than the share of total turnover. F2 and Hard Discounters have a comparable share of total sales surface and total turnover. On the contrary, F3 has a far bigger share in selling surface than in turnover. F1 owns the biggest turnover per m², closely followed by Hard Discounters.

	Share of sales surface area (%)	Share of total turnover (%)	Turnover per m ² (in euro)
F1 Stores	34%	50%	10 467
F2 Stores	32%	29%	6 605
Hard Discount	12%	16%	9 148
F3	21%	5%	1 604

An abstract graphic on the left side of the slide. It features a vertical black bar on the far left. From this bar, a series of thin, curved lines in various colors (blue, green, yellow, orange, red, purple) fan out towards the right. Some of these lines terminate in small colored dots. The overall effect is that of a complex, multi-colored web or network structure.

3.5 DISCOUNTERS IN BELGIUM

TYPES OF DISCOUNTERS IN BELGIUM

DISCOUNTERS

Chains:

- Colruyt
- Profi/Smatch
- Intermarché
- Aldi
- Lidl

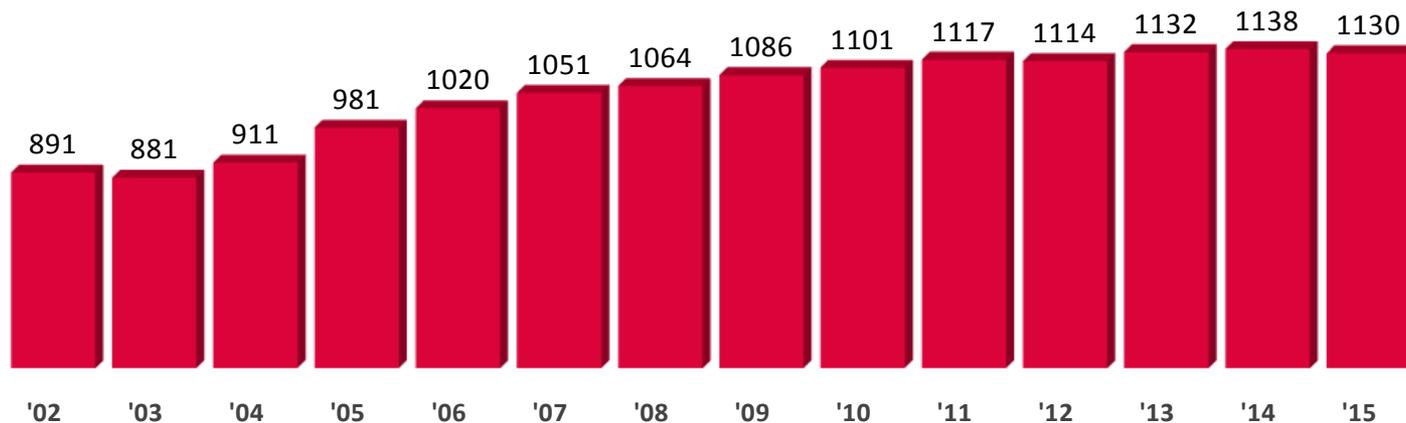
Features:

- Low prices
- Low prices communication

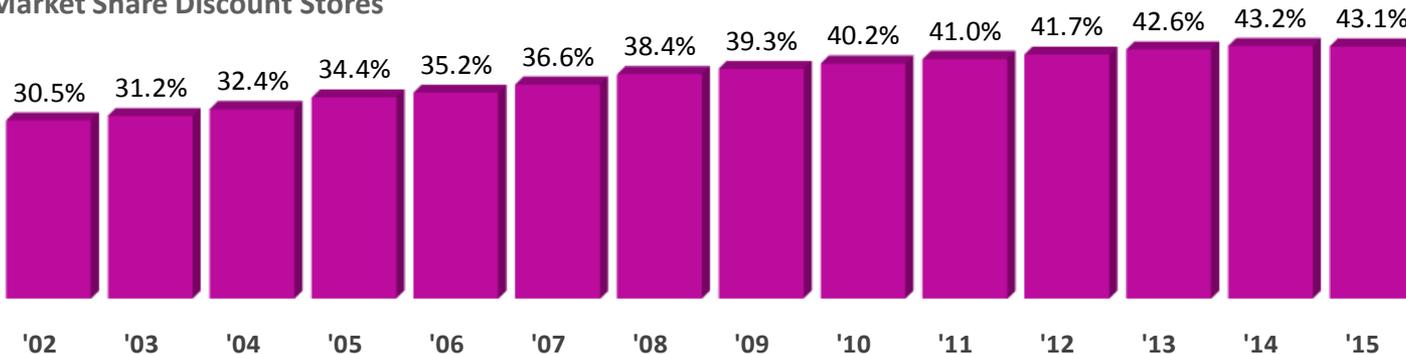
DISCOUNT STORES

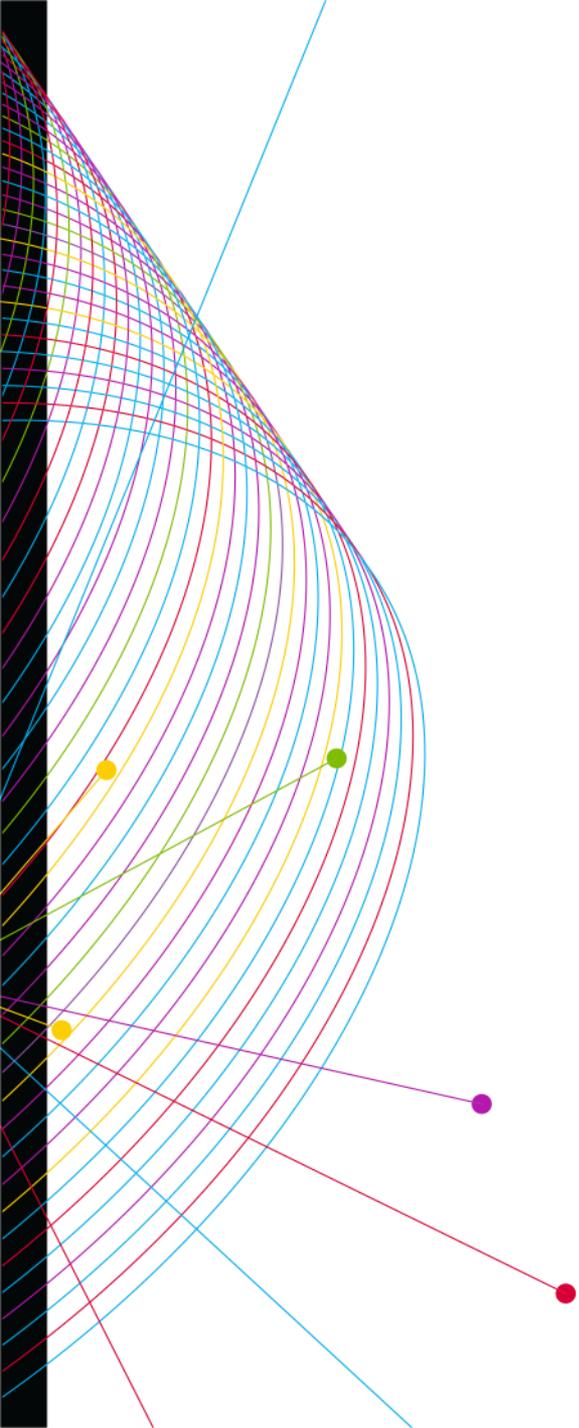
The Discount performance increased over the past years but has remained rather stable over 2015 . The number of shops went down to 1 130 shops. Their market share remained rather stable in 2015 (43.1%).

Number of Discount Stores



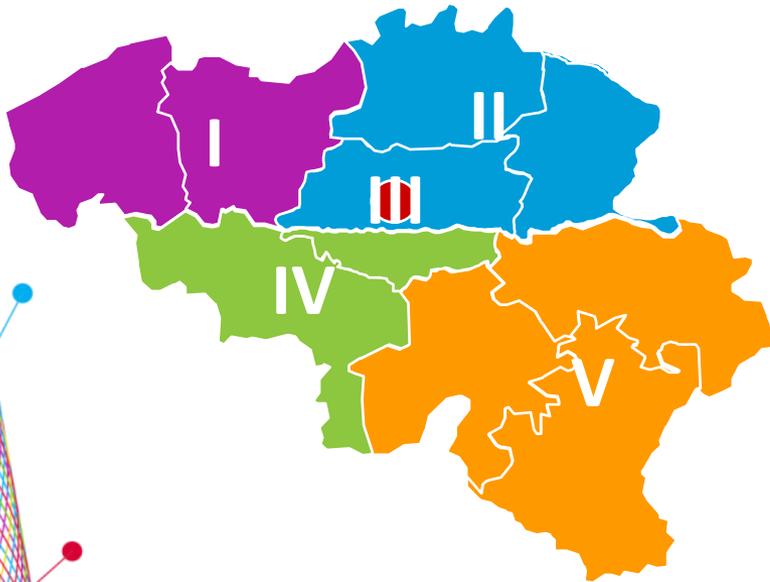
Market Share Discount Stores



An abstract graphic on the left side of the slide. It features a vertical black bar on the far left. From this bar, a series of thin, curved lines in various colors (blue, green, yellow, orange, red, purple) fan out to the right, creating a sense of depth and movement. Several colored dots (yellow, green, purple, red) are placed at various points along these lines, with thin lines extending from them towards the right edge of the frame.

3.6 REGIONAL CHARACTERISTICS

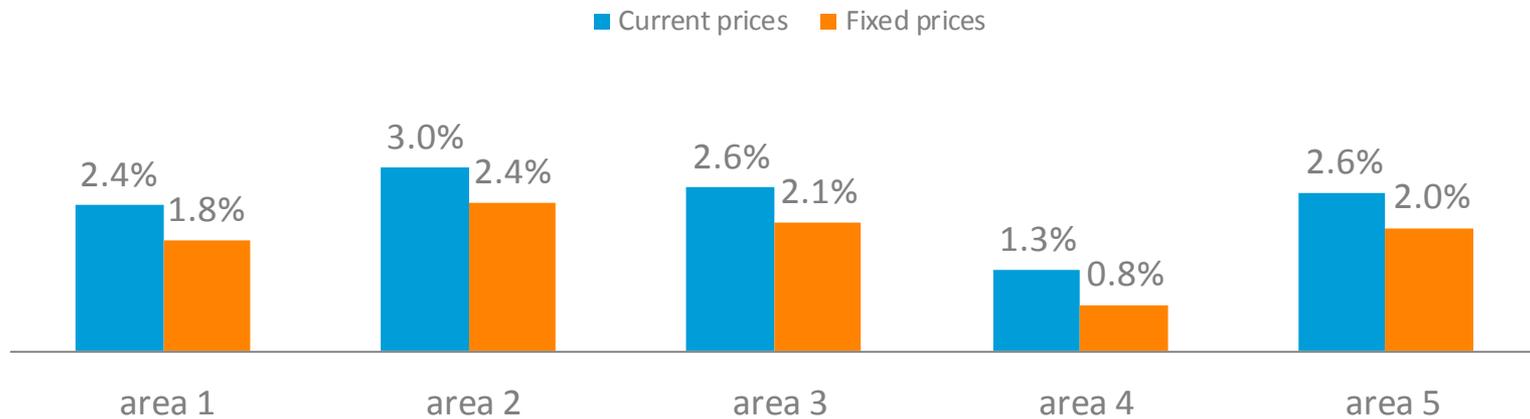
NIELSEN AREA'S



- I North West:** Provinces of East & West Flanders
- II North East:** Provinces of Antwerp, Limburg & Flemish Brabant
- III Brussels Conurbation:**
- | | | |
|------------|---------------------|----------------------|
| Anderlecht | Kraainem | St-Joost-ten-Node |
| Brussel | Laken | St-Lambrechts-Woluwe |
| Drogenbos | Linkebeek | St-Pieters-Woluwe |
| Elsene | Machelen | Tervuren |
| Etterbeek | Neder Over Heembeek | Ukkel |
| Evere | Oudergem | Vilvoorde |
| Ganshoren | Schaarbeek | Vorst |
| Grimbergen | St-Agatha-Berchem | Watermaal-Bosvoorde |
| Haren | St-Genesius-Rode | Wemmel |
| Jette | St-Gillis | Wezembeek-Oppeem |
| Koekelberg | St-Jans-Molenbeek | Zaventem |
- IV South West:** Provinces of Hainaut & Walloon-Brabant
- V South East:** Provinces of Namur, Liège & Luxembourg

EVOLUTION TURNOVER FOOD UNIVERSE PER AREA IN 2015 VS 2014

The turnover is growing in all the regions ; the growth rate is the lowest in the South West part of the country.



Current Prices: Prices including inflation
Fixed Prices: Prices excluding inflation

EVOLUTION IN TURNOVER, NUMBER OF STORES AND POPULATION IN 2015

The South of the country (area 4 and 5) is the only place where the share of turnover is higher than the share of the population.

In the South, consumers shop mainly in stores included in the grocery universe. In the North, there are far more independent and specialist businesses (fishmongers, bakeries, etc.) and consumers shop more often in stores outside of Nielsen grocery universe.

	Turnover (mio €)	%	Number of stores	%	Population in 000	%
Total Belgium	25 629	100.0%	7 161	100.0%	11 209	100.0%
Area 1	5 987	23.4%	1 990	27.8%	2 657	23.7%
Area 2	7 769	30.3%	2 160	30.2%	3 564	31.8%
Area 3	2 875	11.2%	736	10.3%	1 390	12.4%
Area 4	4 447	17.4%	1 172	16.4%	1 737	15.5%
Area 5	4 550	17.8%	1 103	15.4%	1 861	16.6%

NUMBER OF STORES AND EVOLUTION PER AREA

The North of the country has more stores than the South. Areas 1 & 2 have the most F2, F3 and HD shops. The biggest shop type (F1) is mainly located in the North-East and South-West of the country (areas 2 and 4). 1/3 of the HD shops are located in area 2.

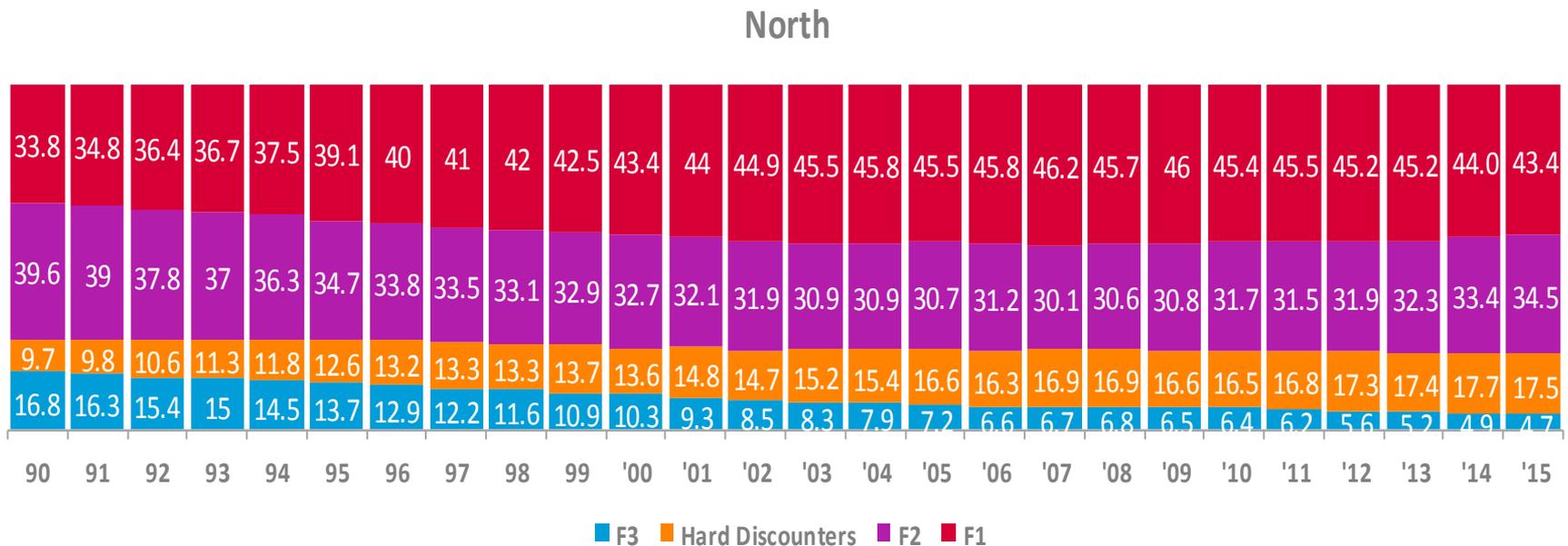
There is an increase in the number of stores in area 5.

	Total Belgium	Area 1	Area 2	Area 3	Area 4	Area 5
Total universe	7 161	1 990	2 160	736	1 172	1 103
	-42	-28	-17	-5	-4	11
F1	605	104	150	79	152	120
	-4	-3	-3	0	0	2
F2	1 344	415	434	75	162	258
	24	2	13	0	2	7
HD	735	187	250	46	117	135
	-2	1	0	1	-4	0
F3	4 477	1 284	1 326	536	741	590
	-60	-28	-27	-6	-2	2

NORTH: MARKET SHARES BY SHOP TYPE

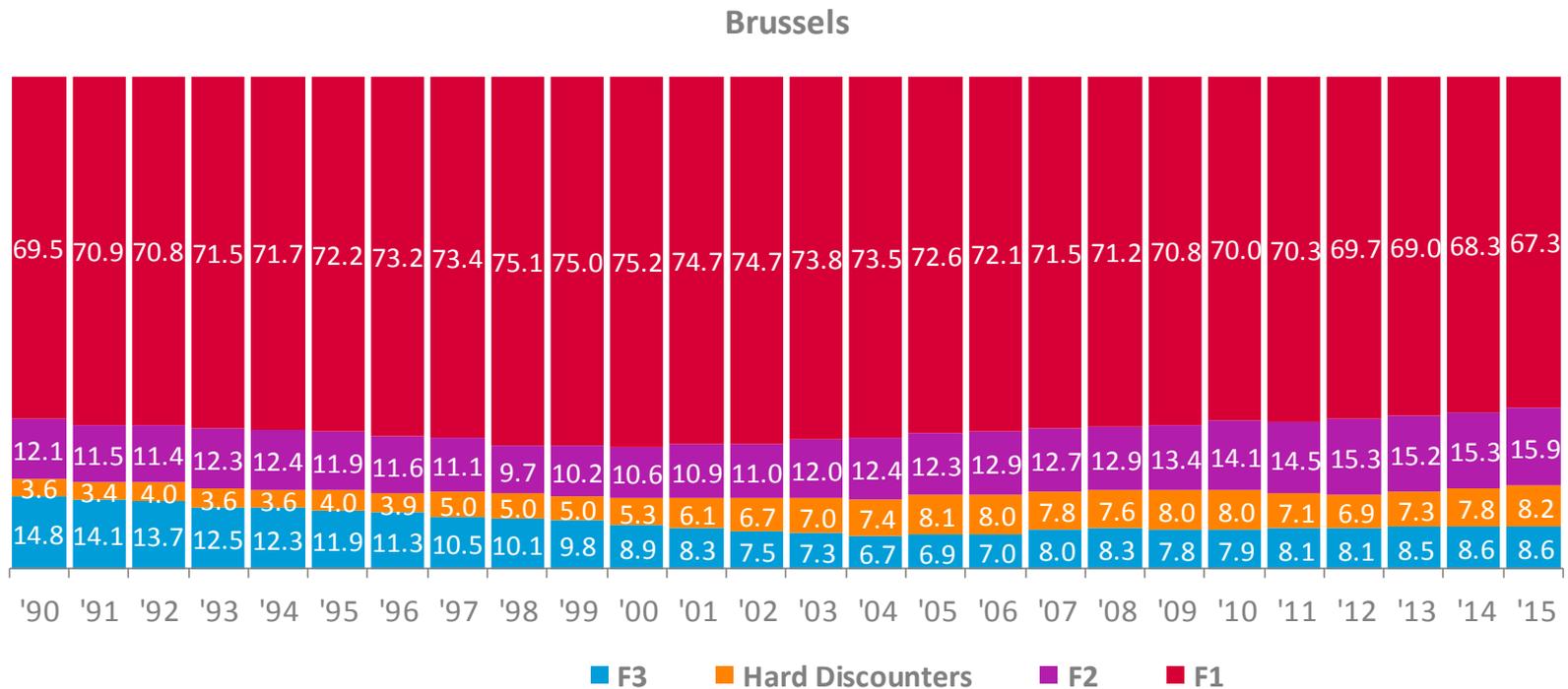
In the North, in addition to F1 (43.4%), F2 (34.5%) is also important. F1 has lost MS over 2015 ; F2 has expanded ; the HD has decreased.

More over, Hard Discount is more important in the North than in Brussels and South.



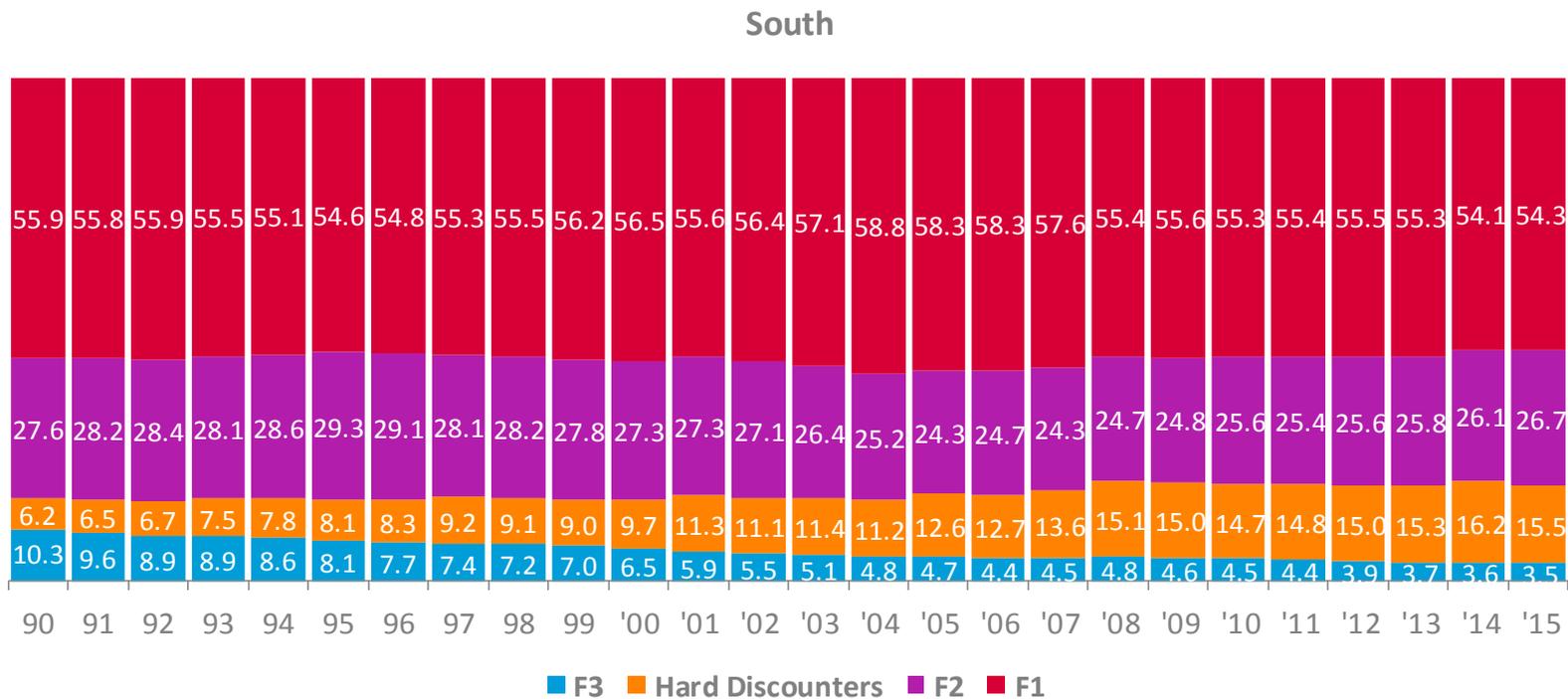
BRUSSELS: MARKET SHARES BY SHOP TYPE

Although the share has been decreasing over the past 3 years, Brussels remains broadly dominated by F1 (67.3%). HD weight is the smallest, closely followed by F3 shops. The HD share has increased lately in Brussels.



SOUTH: MARKET SHARES BY SHOP TYPE

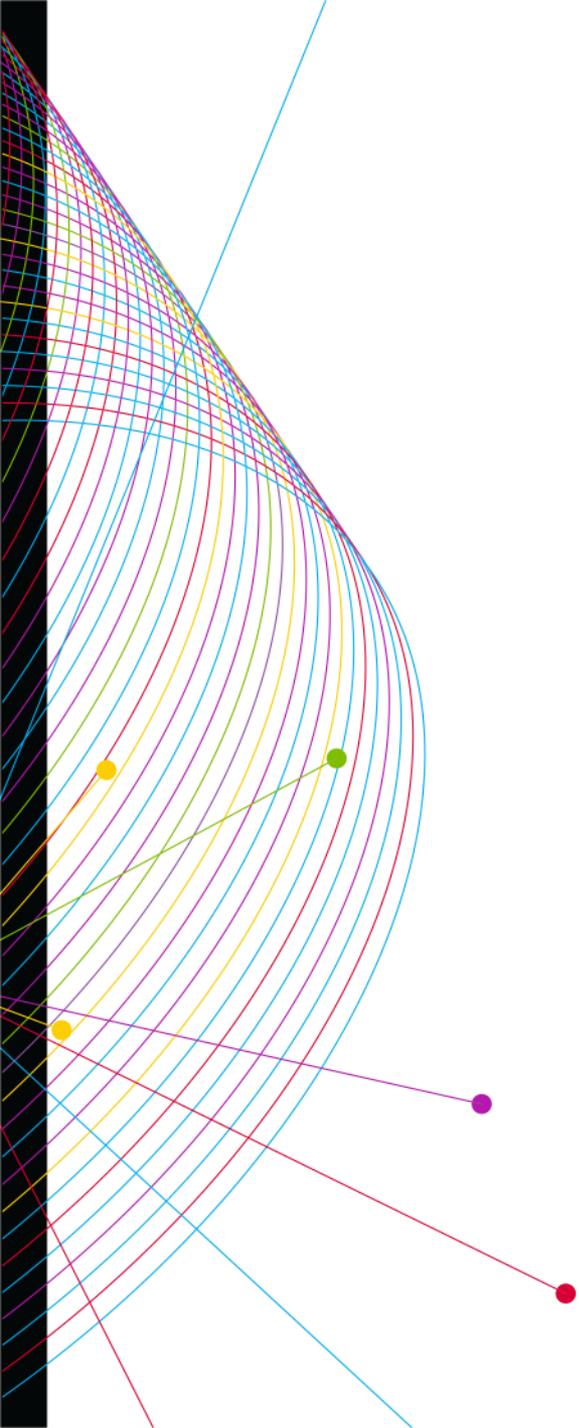
In the South F1 shops (54.3%) are more important than in the North and have gained MS. F2 has gained MS as well. Hard Discount (15.5%) and F3 (3.5%) have lost MS.



AVERAGE TURNOVER PER STORE (IN 1000 EUR)

In Brussels, F1, F2 and F3 have the highest turnover per store. The results of F3 can be explained by superettes that are highly successful thanks to their early and late opening hours, Sunday openings and ready-to-eat meals. HD has the highest turnover per store in the South.

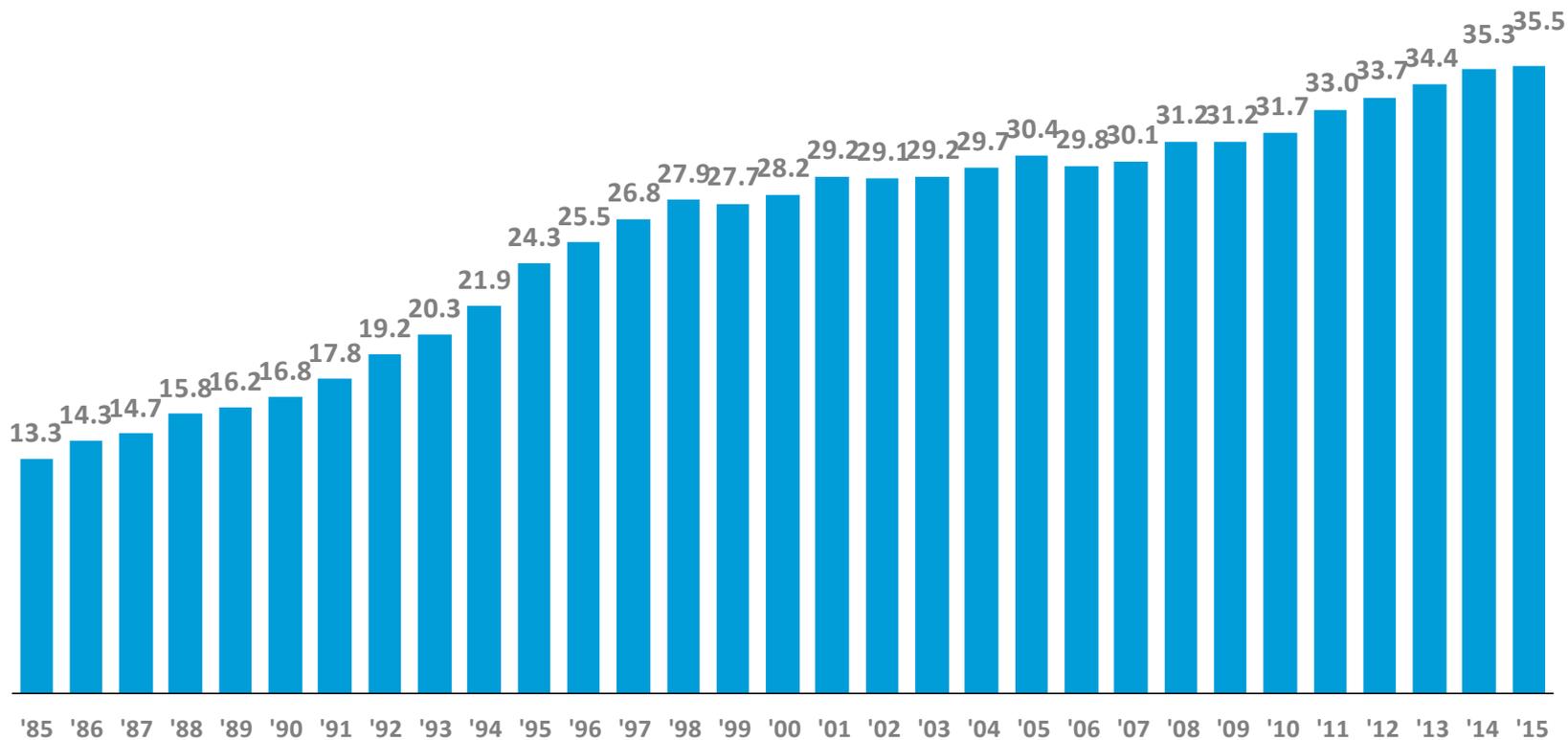
	F1	HD	F2	F3
North	23 496	5 503	5 584	246
Brussels	24 492	5 096	6 103	462
South	17 959	5 538	5 715	238



3.7 PRIVATE LABELS

SHARE OF PRIVATE LABEL IN BELGIUM

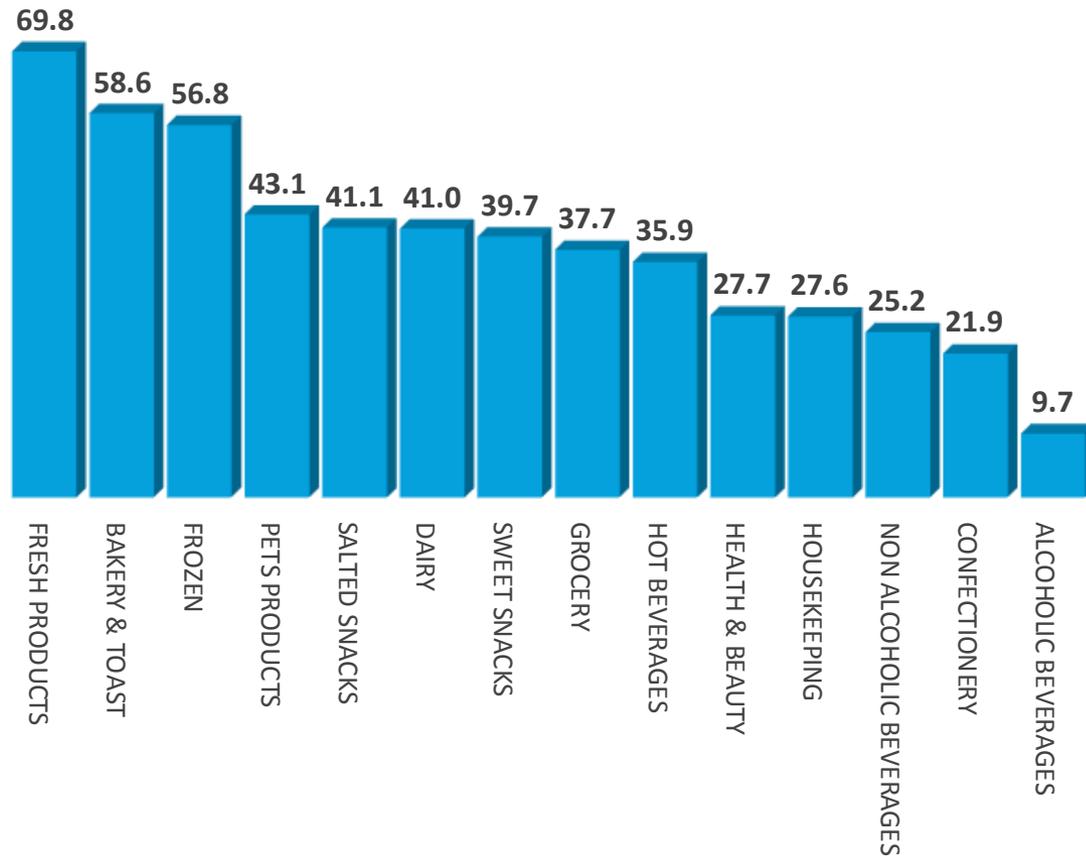
Private labels have seen their value share triple since 1985. Especially in the last three years PL is gaining share again. In 2015 more than 35% of the turnover in FMCG was realized by private label.



Definition private labels = Generic brands, exclusive brands (sold at Aldi and Lidl), brands that bear the name of the store or the retailer

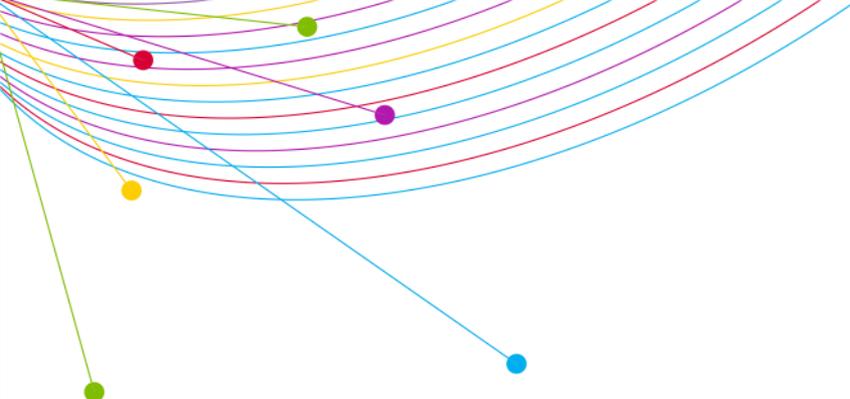
SHARE OF PRIVATE LABEL PER PRODUCT CATEGORY

Two-thirds of the turnover on fresh products comes from private labels. In bakery & toast and frozen products, private labels also have a high share. On the contrary on alcoholic beverages and confectionery, the share of private label is relatively low.



DEFINITIONS PRODUCT CATEGORIES

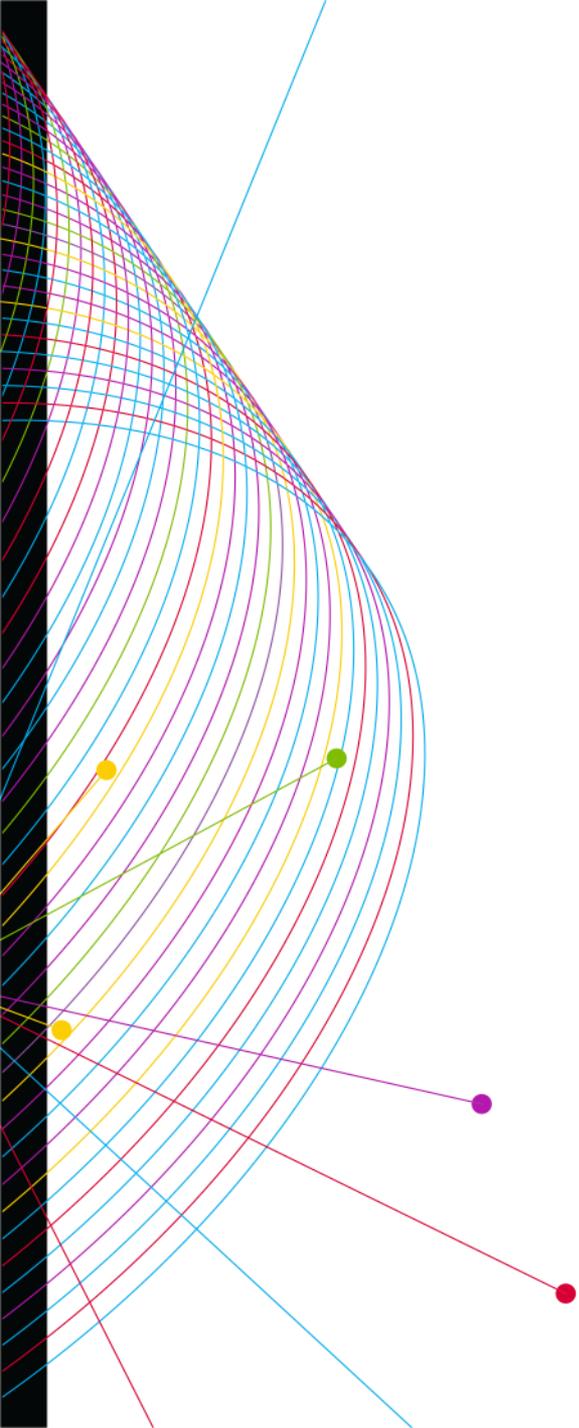
Frozen	Frozen goods (ice cream, frozen fish, meals, vegetables, ...)	Grocery	Sugar, pasta, rize, canned food, jam, babyfood, cereals, ...	Housekeeping	Household products and cleaning products
Fresh Products	Fresh products (soup, fruit juices, prepacked fine meat (charcuterie), fresh meals, ready to use salads, ...)	Alcoholic Beverages	Wine, spirits, beers, premix, port, ...	Health & Beauty	Hair care, body care, shaving, dental care, face care, make-up, ...
Dairy	Dairy products (butter, margarine, cheese, milk, yoghurt, desserts, ...)	Non Alcoholic Beverages	Waters, juices, lemonades, ice tea, energy drinks, ...	Pet Food	Dog and Cat food
Bakery & Toast	Prepacked bakery, bread & toast	Hot Beverages	Coffee, tea, hot chocolate, ...	Confectionery	Chocolates and Sweets
Salted Snacks	Salted Snacks (biscuits, crisps)	Sweet Snacks	Sweet biscuits, waffles, cakes, industrial pastry, ,...		



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4. RETAILING IN EUROPE





4.1 INTERNATIONAL SHOP TYPES

DEFINITIONS

COUNTRIES

AUS = Austria

FRA = France

NOR = Norway

SWI = Switzerland

BEL = Belgium

GER = Germany

POL = Poland

UK = Great Britain

DEN = Denmark

GRE = Greece

POR = Portugal

CZE = Czech Republic

EIR = Ireland

ITA = Italy

SPA = Spain

HUN = Hungary

FIN = Finland

NED = Netherlands

SWE = Sweden

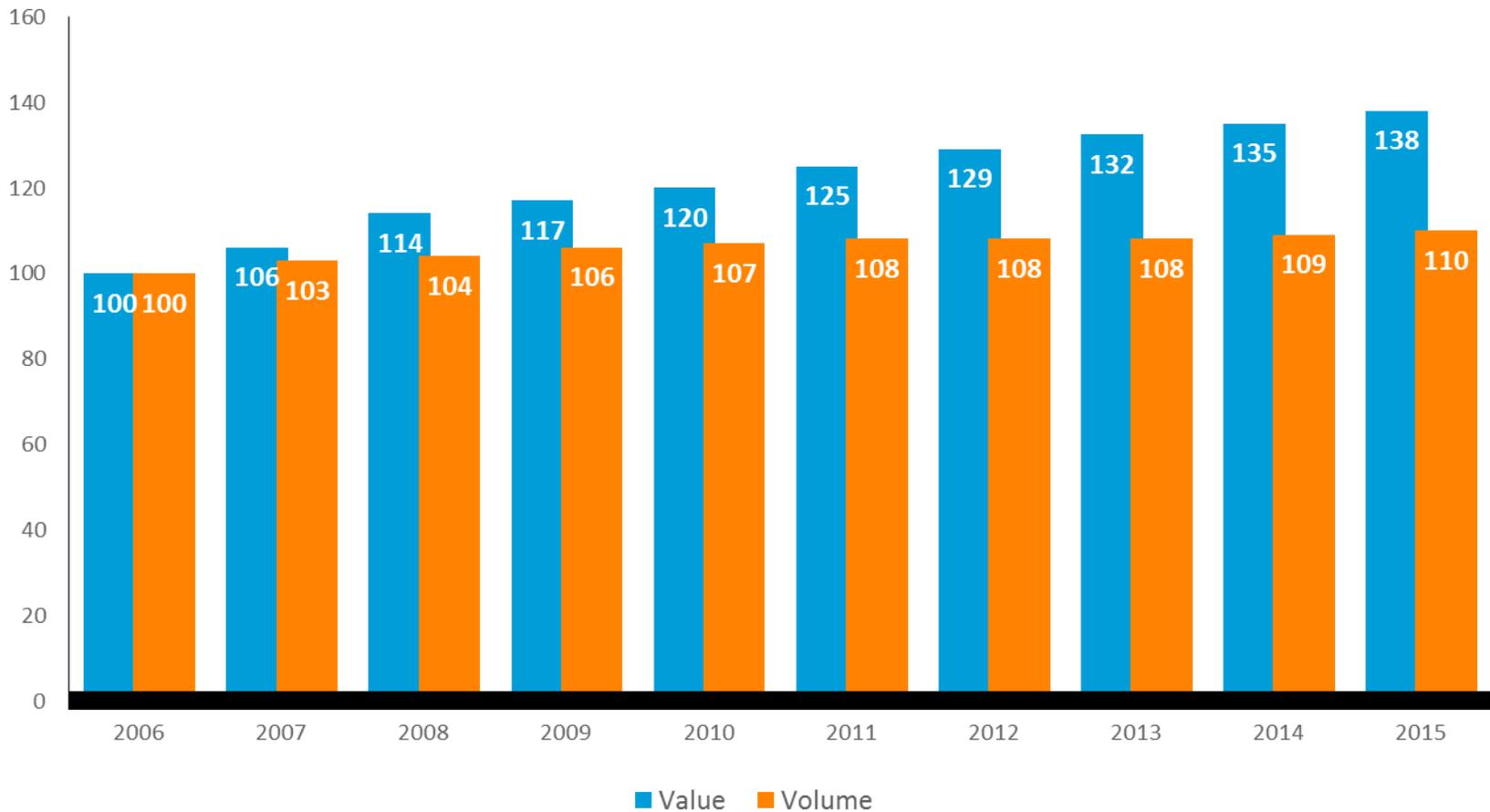
SLK = Slovakia

SHOP TYPES

- **Hypermarkets** selling surface over 2500m²
- **Large Supermarkets** selling surface 1000m² - 2500m²
- **Small Supermarkets** selling surface 400m² - 1000m²
- **Superettes & Traditional** selling surface under 400m²

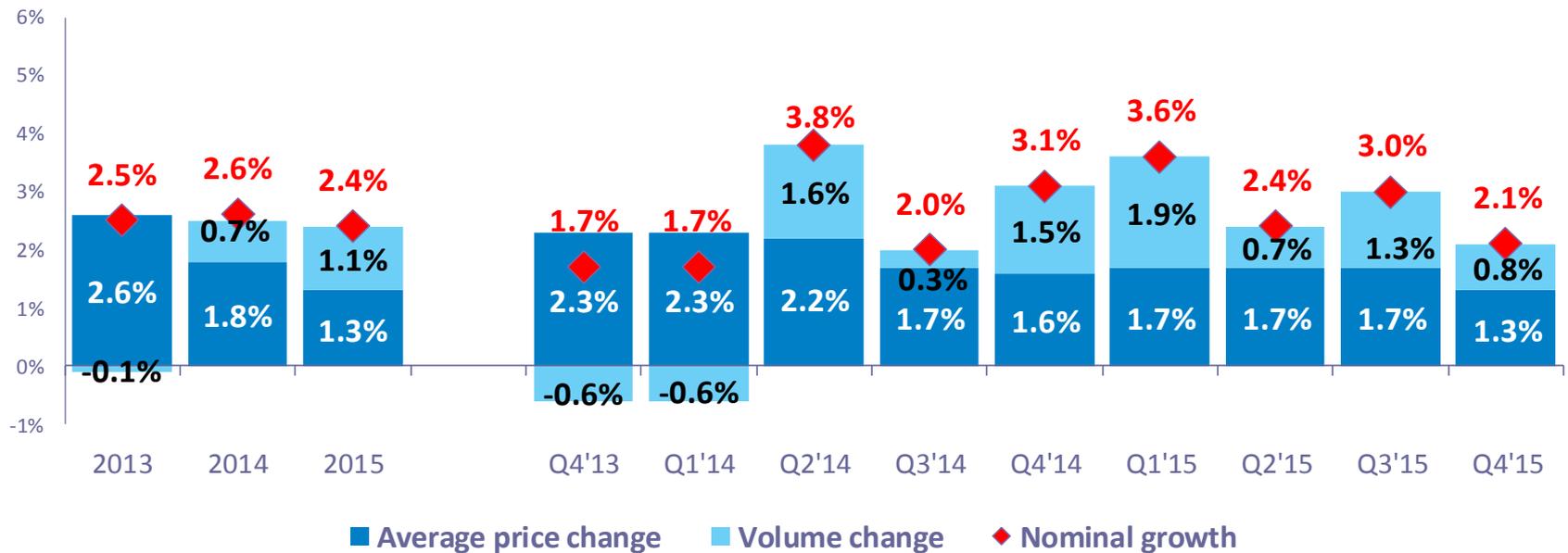
EUROPE: FMCG DEVELOPMENT INDEX (BASE 100 = 2006)

In 2015 the value index keeps on increasing, like the years before. After having remained stable for a few years, the volume registers a slight increase.



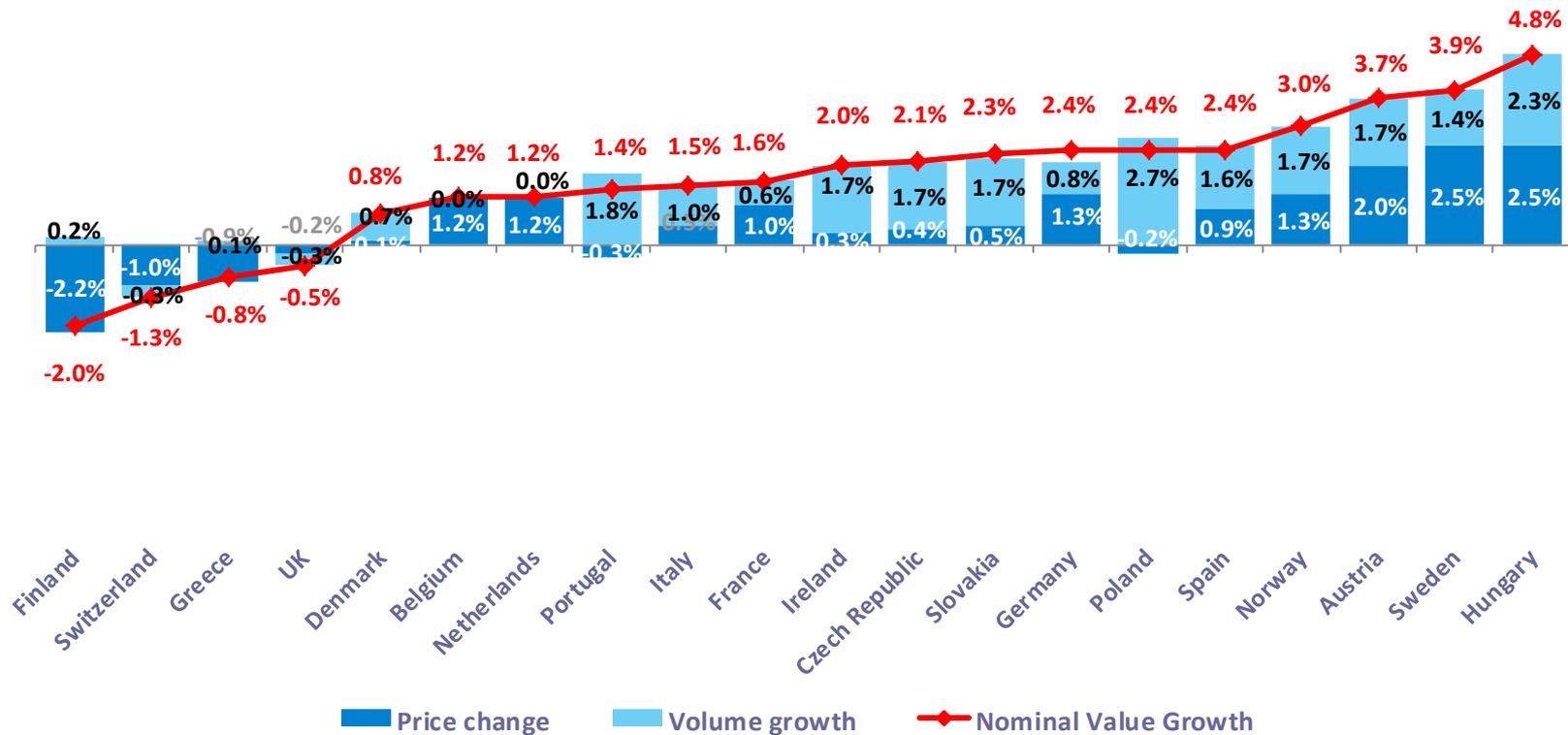
FMCG TRENDS PER YEAR AND PER QUARTER IN EUROPE

Contrary to 2013, the volume keeps growing over 2015.
The price mix remained stable over the three first quarters of 2015.



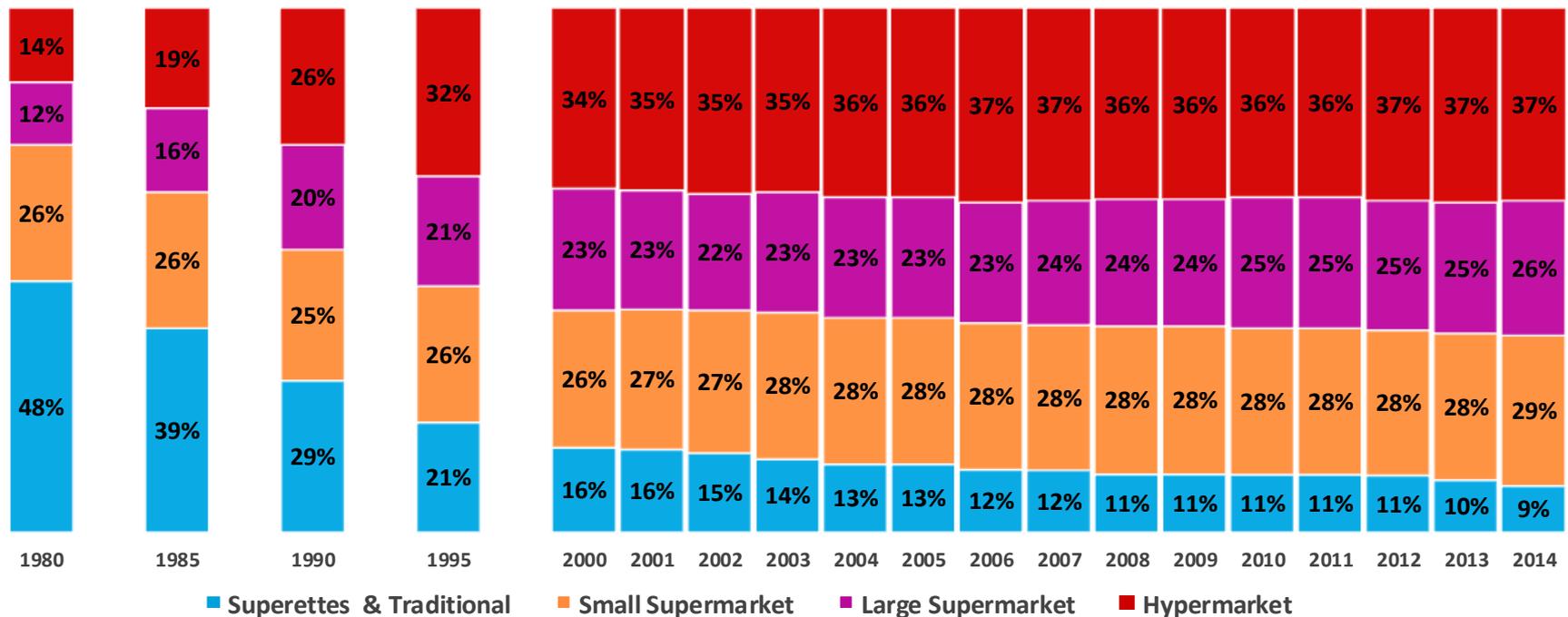
FMCG TRENDS PER COUNTRY IN 2015 VS 2014

Belgium increases equally in volume and prices.



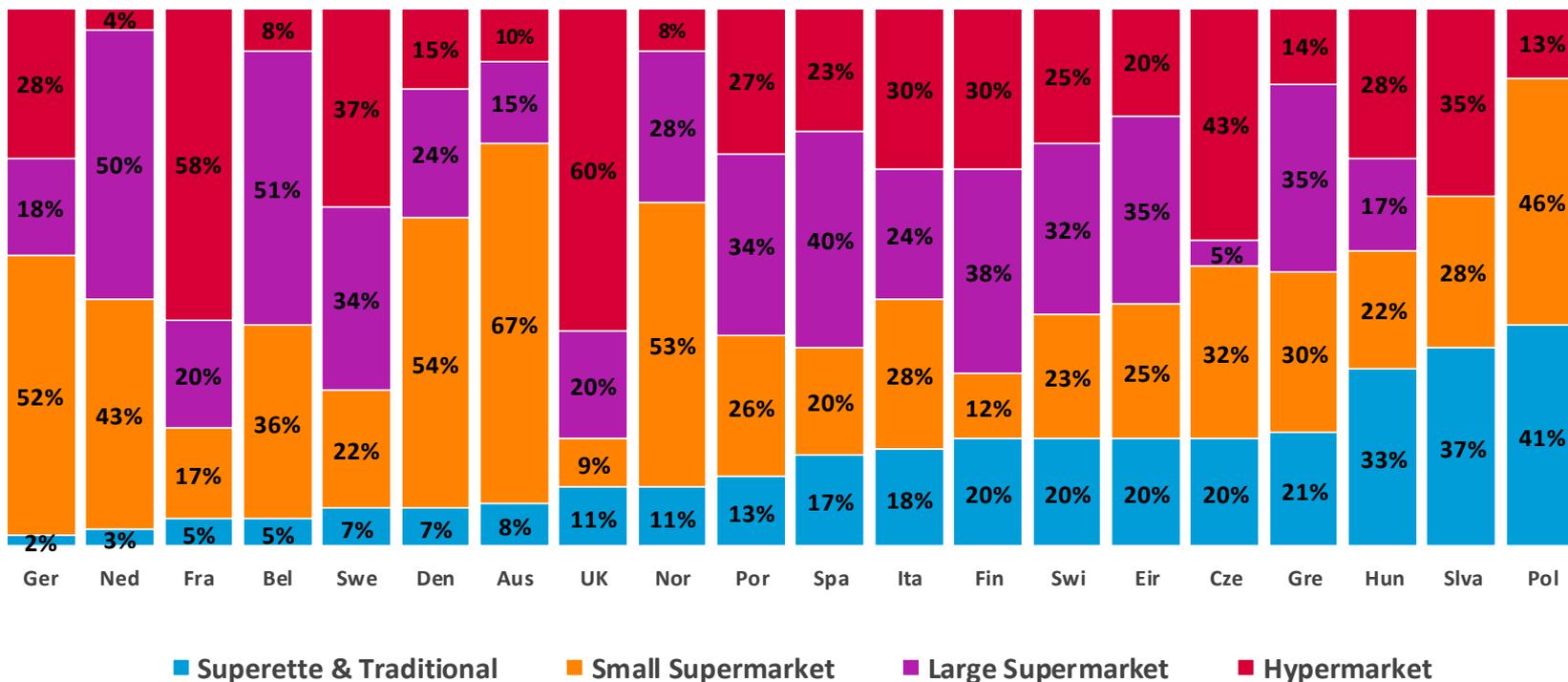
MARKET SHARES BY SHOP TYPE IN EUROPE

Retail landscape in Europe remained stable over the past years. Since 1980 the smallest Superettes and Traditional stores are declining especially in favour of the Hypermarkets and Large Supermarkets. The Small Supermarkets and Large Supermarkets have managed to maintain their market share over time. The Hard Discounters (which belong to this segment) have accounted for this maintaining of the market share.



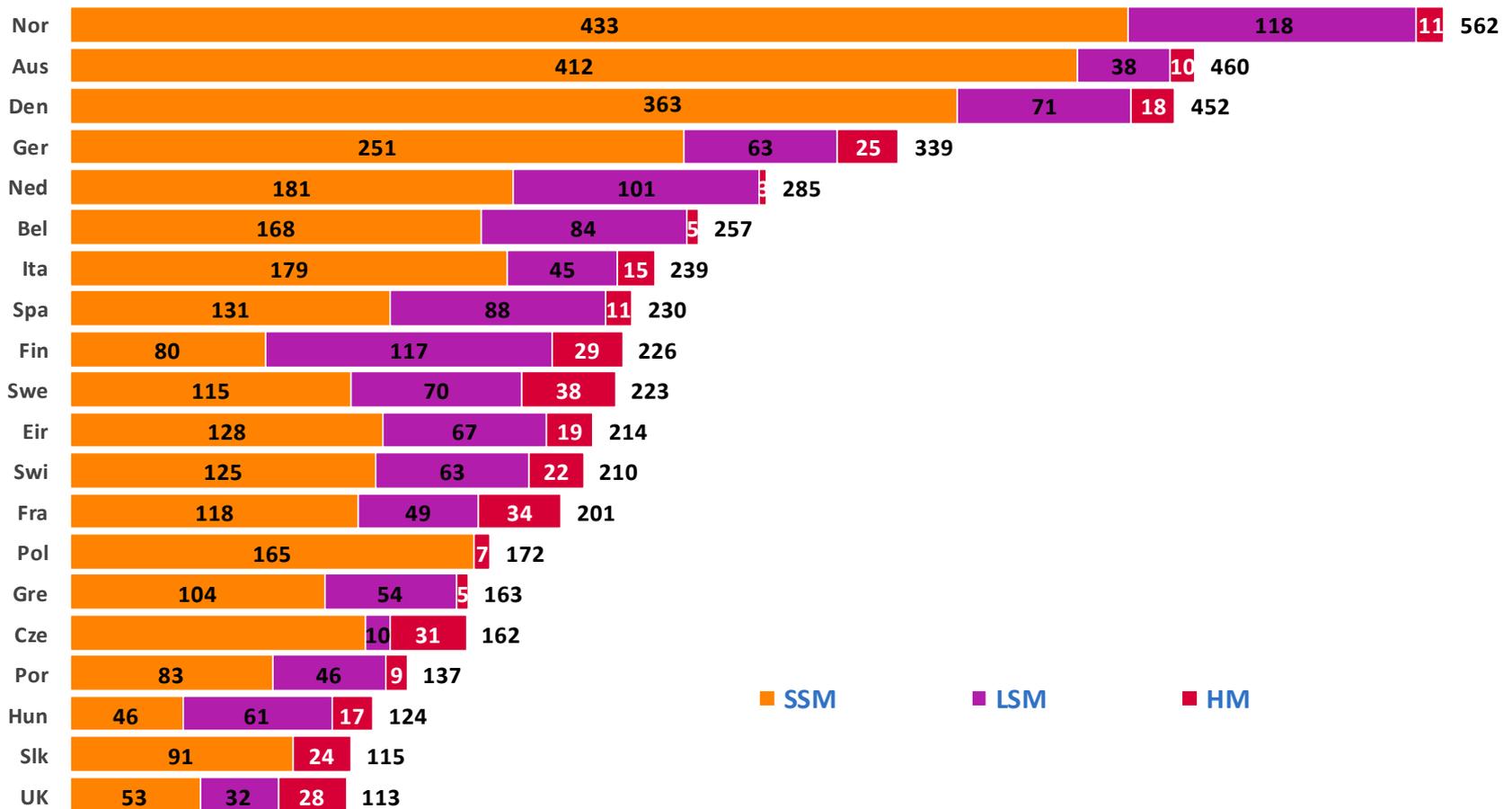
MARKET SHARES BY SHOP TYPES PER COUNTRY IN 2014

France and the UK have been dominated by hypermarkets for years. Belgium and the Netherlands have the highest share in Large Supermarkets.



NUMBER OF STORES PER MILLION HABITANTS IN 2014

Norway, Denmark, Austria and Germany have the highest number of stores per million inhabitants and a very large number of small supermarkets. Belgium holds the 7th place in total number of stores per habitant



TOP GLOBAL FOOD RETAILERS 2014 (1)

Wal-Mart remains the world's biggest grocery retailer. The Kroger Co. moved up from the 6th place to the 2d place. Carrefour moved down from the 3d to the 5th place.

	Retailer	Country of Origin	Retail Turnover in US \$ billion (2014)	Number of countries of operation
1	Wal-Mart Stores, Inc.	U.S.	485.7 ↗	28
2	The Kroger Co.	U.S.	108.5 ↗	1
3	Schwarz Unternehmens Truehand KG	Germany	102.7 ↗	26
4	Tesco plc	U.K.	99.7 ↗	13
5	Carrefour SA	France	98.5 ↘	34 ↗
6	Aldi Einkauf GmbH & Co. oHG	Germany	86.5 ↗	17
7	Metro AG	Germany	85.6 ↘	32
8	Target Corp.	U.S.	72.6 ↘	1 ↘
9	Groupe Auchan SA	France	69.6 ↗	13
10	Casino Guichard-Perrachon S.A.	France	64.5 ↗	29

The table constitutes a league table of the top international grocery retailers, based on the turnover they achieved in 2014.

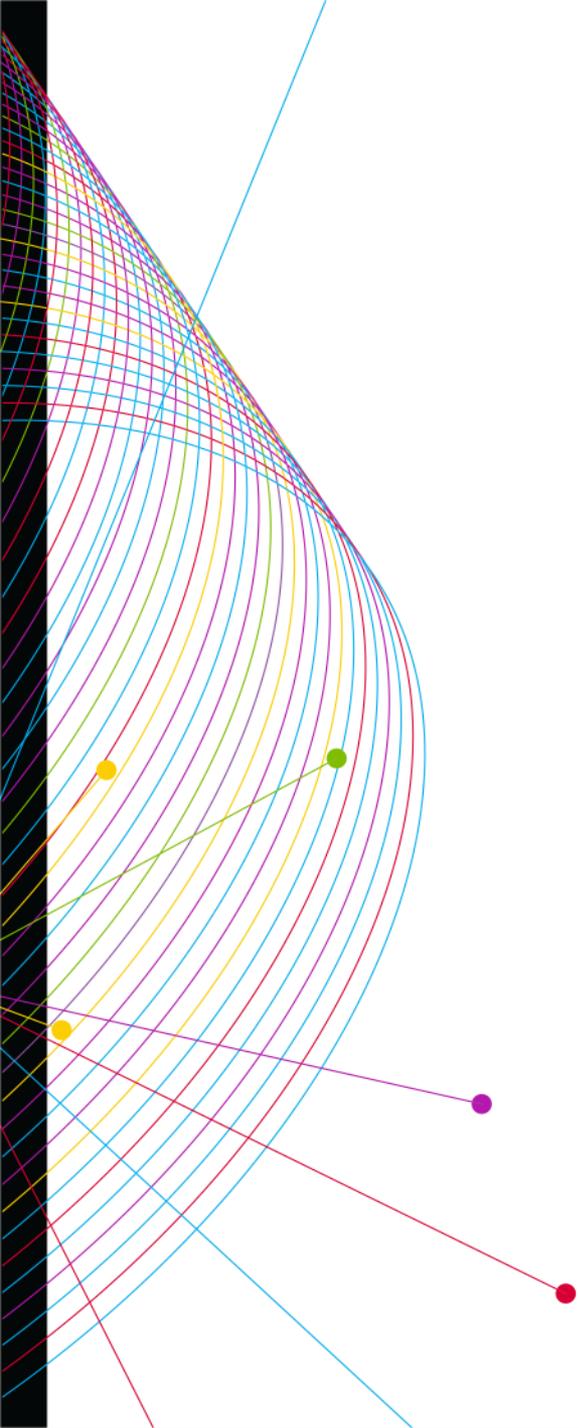
Source: Deloitte "2016 Global Powers of Retailing"

TOP GLOBAL FOOD RETAILERS 2014 (2)

	Retailer	Country of Origin	Retail Turnover in US \$ billion (2011)	Number of countries of operation
11	Aeon Co., Ltd.	Japan	61.4 ↗	11 ↗
12	Edeka Zentrale AG & Co. KG	Germany	61.0 ↗	1
13	Seven & i Holdings Co., Ltd.	Japan	53.8 ↘	18
14	Rewe Combine	Germany	51.2 ↗	11
15	Woolworths Limited	Australia	49.6 ↘	2
16	Centres Distributeurs E. Leclerc	France	48.6 ↗	7
17	Wesfarmers Limited	Australia	48.1 ↘	2
18	Koninklijk Ahold NV	Netherlands	43.6 ↗	6 ↘
19	ITM Développement International	France	38.2 ↗	5 ↘
20	J Sainsbury plc	U.K.	37.8 ↘	1 ↘
21	Loblaw Companies Limited	Canada	37.8 ↗	2
22	Safeway Inc.	U.S.	36.3 ↗	2
23	Publix Super Markets, Inc.	U.S.	30.8 ↗	1
24	Delhaize Group SA	Belgium	28.4 ↗	7 ↘
25	Wm Morrison Supermarkets PLC	U.K.	27.5 ↘	1

The table constitutes a league table of the top international grocery retailers, based on the turnover they achieved in 2014.

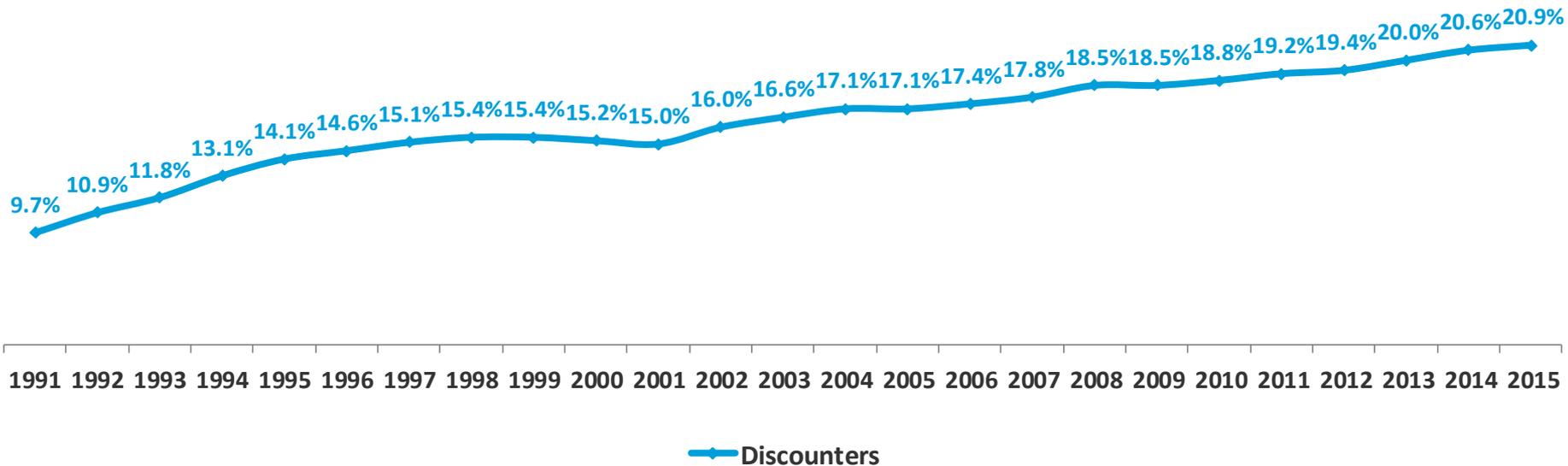
Source: Deloitte "2016 Global Powers of Retailing"

An abstract graphic on the left side of the slide. It features a vertical black bar on the far left. From this bar, a series of curved, overlapping lines in various colors (blue, green, yellow, orange, red, purple) fan out towards the right. Several colored dots (yellow, green, purple, red) are placed at various points along these lines, with thin lines extending from them towards the right edge of the graphic area.

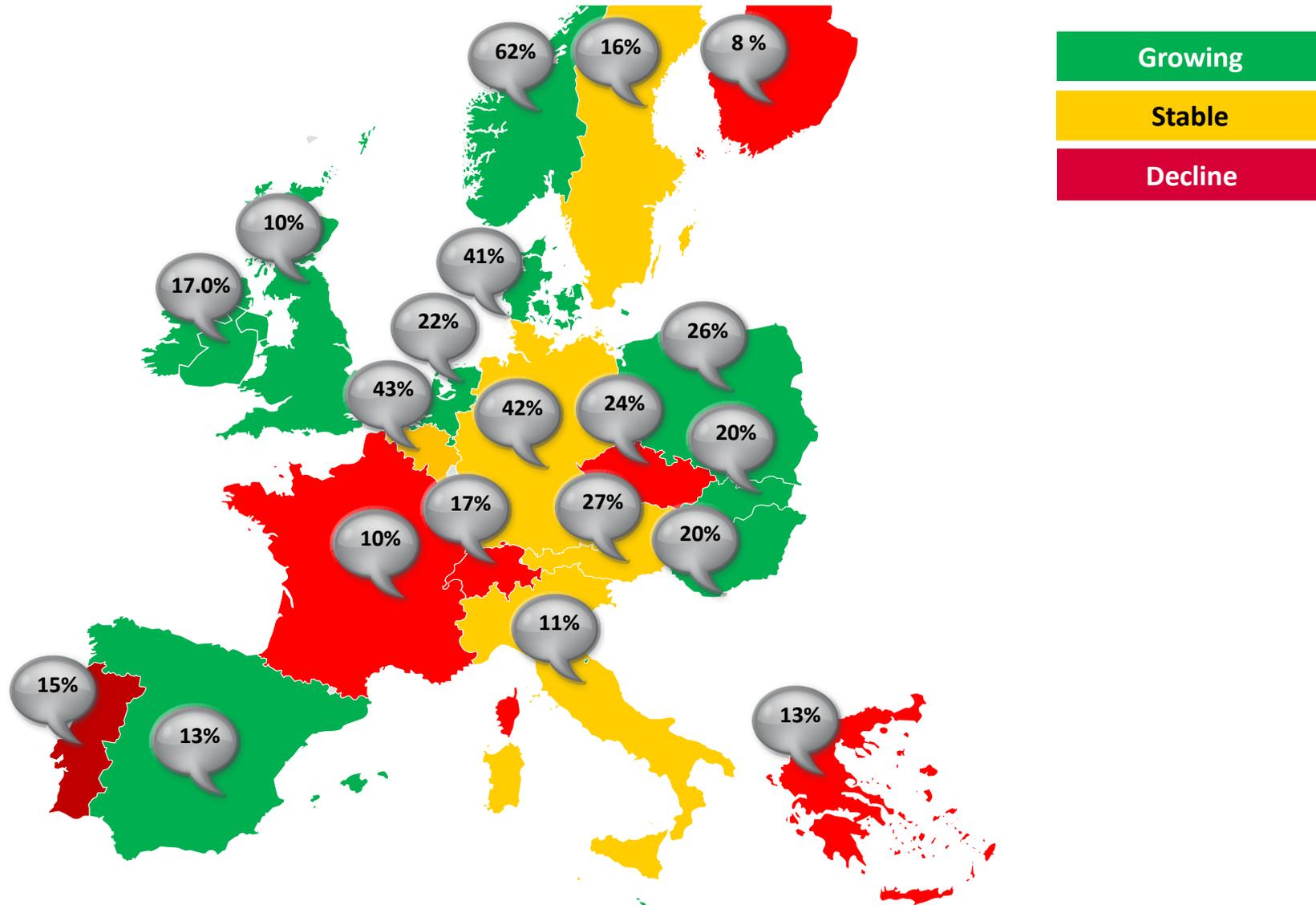
4.2 DISCOUNTERS IN EUROPE

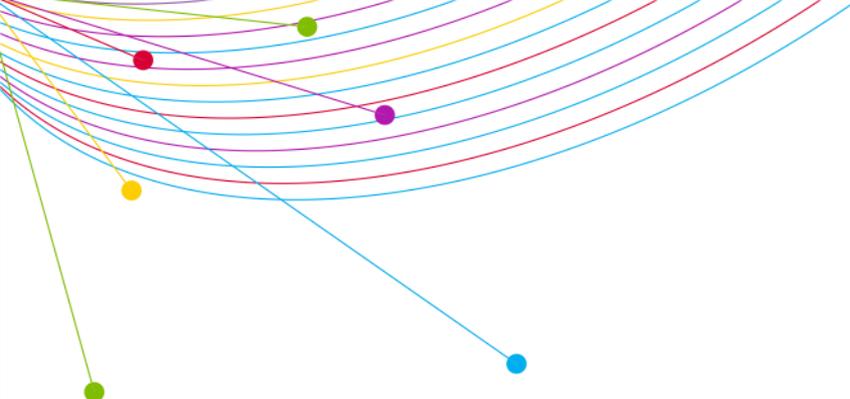
MARKET SHARE DISCOUNTERS IN EUROPE

The market share of discount stores in Europe reached 21% in 2015. Moreover Discounters are very strong in Belgium as well where they represent 17.3% of the turnover.



DISCOUNT SHARE BY COUNTRY





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5. THE NIELSEN SERVICES



RETAIL MEASUREMENT SERVICES

NIELSEN RETAIL INDEX

This service is available for the Food (ScanTrack) and Tobacco sectors. The Nielsen Retail Index offers to clients a **continuous monitoring** of the distribution of products to consumers. These sales results are combined with an analysis of the factors which explain their situation, as well as that of their competitors (price, distribution, promotional support, etc.).

SCANTRACK EXPRESS

ScanTrack Express is a “mini” version of the normal ScanTrack, developed to offer a **quick, flexible and ad-hoc** supplement for the regular data. Within this weekly delivered database, clients will be able to temporarily broaden the scope of their current tracking with extra products, extra markets and/or extra facts in order to quickly react on market changes.

BACK DATA

When clients launch a new product, they need information on the size, development, concentration, etc. of their specific market. The Nielsen databases contain **information about more than 400 markets** to answer these information needs.

TOOLS

Nielsen | i-sights and Answers Desktop are tools available via **Nielsen Answers**. Nielsen | **i-sights** provide an easy access to information and are easily used by professionals of the client service management for instance. They are dynamic graphs and tables which analyze contents and all other information related to the Nielsen databases. **Answers Desktop** is together with Nitro the tool to analyze in depth the databases content.

SALES EFFECTIVENESS: ANALYTIC SERVICES

Nielsen services offer a wide range of ad-hoc solutions; starting from special tracking, in depth analysis to complete marketing models. They are a perfect supplement to clients' ScanTrack data, enabling them to extend their analysis to another level and providing them with the necessary input to make solid marketing decisions.

- **Weekend Out-Of-Stock:** surveys executed during a number of key weekends (both on Friday and Saturday) and provide a view of the stock-status, the refill percentage and facings of products at retailers.
- **Store observations:** service to verify or track a certain parameter (e.g. special promotion, extra shelf space, type of displays, ...) within a predefined number of retailers).
- **On Trade:** information about products in pubs and dancings.
- **Store Explorer:** study based on re-clustering of stores based on assortment, introduction, type of promotion,...
- **Store Testing:** evaluation of the impact of changing one of the marketing mix elements in a real life environment (a limited number of test stores).

SALES EFFECTIVENESS: ANALYTIC CONSULTING SERVICES

Nielsen modelling explains and quantifies the impact of the various elements that constitute clients' sales (promotions, prices, range, weather, advertising etc.). In order to do this, an econometric model combines ScanTrack shop-by-shop data with other observations (such as media investments, non standard promotional information, etc.)

- **Assortman** identifies saturated/expansion segments of a category, products that maximise performance of the category and simulates future scenarios in terms of assortment, in line with clients' needs and wishes.
- **Assortman Promo** conducts an in-depth study of promotional pressure and analyses the optimal spread of this pressure over the various categories and segments.
- **Scan*Pro Promo** conducts an in-depth study of promotions and gives clients crucial information on promotional impact and effectiveness, and on loss of market share etc., both from a reference point of view, and from a brand and category point of view.
- **Scan*Pro Price** calculates the price elasticity's at the absolute price level and the price differences between competitor's products and a client's products.
- **Market Forecast** forecasts clients' future sales at category and at total market level.
- **Out of Stock Diagnosis** conducts an in-depth study of the out of stock issue and calculates the lost sales volume.
- **Due to analysis** provides marketers with a strategic understanding of the factors which drive sales (distribution, weather and seasonality, macro-economic changes,...)

REVENUE MANAGEMENT OPTIMIZATION (RMO)

Consumer product companies spend extensively on trade promotions. The disappointing part is that about 40 percent of that spending doesn't drive the desired results.

Nielsen's end-to-end revenue management optimization boosts the effectiveness of trade promotions by aligning information-rich, analytic-driven decision making with the complete selling process. In short, we help companies connect revealing sales data with the right technology and proven processes. With a comprehensive vision across these areas, we can help you improve pricing decisions, enhance the efficiency of trade spending and ensure product availability.

Strategic planning: Make more confident annual price and promotion strategies based on extensive scenario planning, driven by using predictive analytics to drive precise promotion strategies and execution-oriented sales plans.

Tactical planning: Deliver execution-oriented sales plans aligned to your greatest opportunities verified through event-level scenario planning and predictive analytics.

Integrated promotion management: Create promotion programs that effectively integrate execution, management and program fulfillment.

Ongoing retail execution: Monitor trade promotion performance in real time to maximize retail promotion compliance, product distribution and inventory availability.

Post-event analytics: Perform comprehensive profit and loss analyses after each event to guide future program decisions

CONSUMER RESEARCH SERVICES

Nielsen offers a wide range of studies that answer some of clients' questions regarding their consumers, their motivation to buy, their satisfaction level about their brands, product, new packaging, ... Nielsen uses mostly the "on-line" methodology to conduct these studies.

- **The Consumeter on-line study** enables clients to assess the penetration of their categories and the positioning of their brands and brand awareness on the Belgian market.
- **The Shopper Research study** helps to better understand the consumer behaviour in the Shop (behaviour in front of the shelf, ...)
- **The Trade eQ satisfaction study** measures the satisfaction of retailers about products or the way clients manage certain daily issues.
- **The ShopperTrends study** measures how loyal a shopper is to a store, how often he visits the store, how he perceives the Belgian retailers, ... This study also provides a global vision of the shopper of today and his preference criteria for one or more chains
- **The Winning Brands study** analyses the factors that drive the consumer to buy and defines the strengths and weaknesses of a brand versus its competitors.
- **Concepts@work - Packs@work - Ads@work:** These three tools will help to know how a consumer perceives a new concept, a packaging or various themes for an advertisement.
- **The Price-it-Right study** analyses the price perception of an existing or a new product

MERCHANDISING SERVICES

MERCHANDISING

Merchandising is one part of the Category Management process. It is the visual translation of the results of these analyses, including the rational implementation, the financial optimisation, expressed in optimal stock control, turnover or maximum profit. Nielsen provides companies with tools to conduct these studies but also the expertise of its consultants.

MY.SPACEMAN

my.spaceman is a software that integrates all the below merchandising applications with a unified user interface. It works on a centralized database and enables to manage users' profiles more easily.

- **Shelf space optimization with Spaceman Suite**
- **Assortment analysis with Product Planner**
- **Floor planning analysis with Spaceman Store Planner**

NIELSEN RETAILER PRICE SOLUTION (NRPS)

•NRPS offers an audit of all FMCG SKUs for all categories, in all the requested stores, at every period required. Retail clients use it for pricing strategy and tactics; it can be based from in-store, online, or EPOS data.

•On a regular basis, Nielsen captures, validates and processes the price of every FMCG item in each store you request, and delivers reports that help you:

- Evaluate your price position versus other retailers
- Plan your pricing strategy and monitor its execution
- Implement store-level precision pricing matched to the customers and competitors in each market
- Manage pricing for your store brands compared to other retailers' brands
- Pinpoint your most distributed and most price sensitive items
- Identify gaps in your product range

BRANDBANK

Brandbank stands between retailers (typically the e-commerce sites) and manufacturers and is a world leader specialized in the process of digitally creating, managing and distributing FMCG product and brand image content for retail syndication across in-store, print promotional and e-commerce platforms.

Thanks to Brandbank, you will benefit from databases including high quality pictures and product descriptions maintained, centralised and useful to your whole organization.

MIRROW

Mirrow customer intelligence platform helps consumer goods companies improve account planning, trade terms optimization, maximizing trade-promotion effectiveness. Intuitive user interfaces for a superior user experience. A flexible and modular architecture that enables companies to effectively integrate specific modules or the complete suite.

Mirrow shopper marketing solution: covers all the functions for category managers from creating the strategy and building the plan to monitoring real situation in the stores. Drives enormous productivity to merchandising departments in manufactures and retailers allowing them to manage store specific assortment, planograms and realograms

NIELSEN EYE TRACKING

Eye tracking analyzes the shopper behavior, how the consumer looks at the shelves (or feature) and come to an understanding of the total shopper journey in store by measuring the eye movement of the consumer during his shopping trip.

NIELSEN CUSTOMER EXPERIENCE

The Nielsen Customer Experience solution is a full-fledged, omni channel and end-to-end Customer Experience Management (CEM) framework designed to:

- Ensure the Customer Experience (CX) is designed to deliver on the brand promise and meets customers' expectations
- Consistently and systematically measure the CX delivery on key touchpoints and act on the voice of the customer (NPS, satisfaction, complaints) in real-time.
- Enable businesses to convert customer insights into concrete operational improvements and generate analytics that drive business outcomes (e.g. retention)

By merging an omni channel and real-time CEM software platform, based on a unique Alliance with ResponseTek, with advanced analytics and key business insights, Nielsen Customer Experience (NCX) enables organisations to manage performance at an individual consumer level and for all touch points, channels and for both offline and online. For the first time, businesses can link attitudes on customer experiences with actual purchase behaviour and actionable analytics (e.g. churn prediction models) – transforming static CEM reporting into business improvement that strengthens customer relationships and drives improved commercial results.

GLOBAL SERVICES

International solutions

The Global Services team works together with the local Nielsen offices in more than 100 countries to offer clear and consistent data to its clients about specific markets and categories. Nielsen can answer the following questions relating to the sales opportunities abroad:

- Which markets offer the biggest sales opportunities?
- How will entering other markets enhance overall performance?
- Are existing market strategies appropriate for new markets?
- How do adjacent markets influence my turnover?
- How different are market mechanisms and structures between countries?

Knowledge and Information for Decision-Making

Information is easily accessible to marketing and sales managers through the Answers technology. Our team can also help companies to integrate solutions or data from different data sources : e.g. ex-factory data, financial information and external market researches.

Innovation Analytics

In order to achieve breakthrough innovation success, you need to know which aspects of your products work and which don't, before you launch. We can help you determine through a consultative approach that illuminates how to capitalize on features that are outstanding and fix those that aren't.

DIRECT DATA SOLUTIONS

Nielsen On Shelf Availability (OSA)

Manufacturers and retailers need to manage an ever wider amount of information. Our experts can offer them a solution for all their Direct Data issues (efficient management of the point of sale or the product availability in the shelves)

NIELSEN STORE

In the Nielsen store clients find essential and accessible market information 24/7 to support their fast decisions in order to let their business grow and prosper. It includes European country by country information by category, manufacturer or cross category summaries.

www.store.nielsen.com

ADVERTISING INFORMATION SERVICES (AIS)

MDB ADEX

Provides clients with the software tools and data for comprehensive reliable media and marketing analysis to help them optimize their business. Generates competitive advertising data (both creative and quantitative) and auditing services using our own state-of-the-art capturing and monitoring systems, algorithms and databases.

MDB ADEX provide a wide coverage of the media-mix, whilst offering personalized services tailored to exact requirements:

- Advertising Expenditure Monitoring (ADEX)
- Media Monitoring & Auditing solutions
- Media Audience Measurements & Analysis

TELEVISION AUDIENCE MEASUREMENT (TAM)

ARIANNA / RATING POINT / VIEWTIME

Today's increasingly complex television environment is driving a need for more advanced software to process, manage and interpret the growing amounts of audience data. Arianna, Rating Point and Viewtime are three softwares that help our clients transform local overnight ratings data into a marketplace advantage and more efficiently meet the daily needs of Management, Research and Sales.

TV EVENTS MONITORING SYSTEM

Nielsen's system operates as a fully integrated solution encapsulating all the stages of the TV Events data production process:

- Capture of the broadcast content
- Automatic search and identification of the commercial spots
- Assists the operator to input accurate program details
- Runs the quality control
- Generates output files that can be integrated in different analysis software applications

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