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## Growing our Future Together

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*SPAR International Annual Report 2012*

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## Managing Director's Overview

Dr. Gordon R Campbell, SPAR International

# Growing our Future Together

We are pleased to report that we celebrated the 80<sup>th</sup> anniversary of SPAR in 2012 with another year of continued growth. SPAR worldwide retail sales grew to Euro 32 billion, up 2.7% on the previous year. This is a good result in the context of continued financial crisis in many SPAR countries where policies of austerity continue to undermine consumer confidence.



### Key highlights of 2012 were:

SPAR China and SPAR Russia both broke through the €1 billion sales barrier. New partners were recruited and store numbers grew strongly.

SPAR Austria is the largest SPAR country with retail sales of €5.560 billion up 3.7%. Three new hypermarkets were opened and 100 stores upgraded. SPAR Express grew to 67 stores.

SPAR South Africa remained the second largest SPAR country. Sales of Rand 51.0 billion reflect an increase of 10.6%.

SPAR Norway sales were up 9.8% to €1.58 billion giving the highest like for like sales growth in the NorgesGruppen.

SPAR Spain retail sales of €1.248 billion increased by 8.3% with 170 new stores in Murcia and Catalonia.

SPAR Croatia retail sales grew by 9.3% to €288 million. Store numbers reached 22.

SPAR Belgium sales of €841 million up 3.4% with the focus on quality for competitive prices.

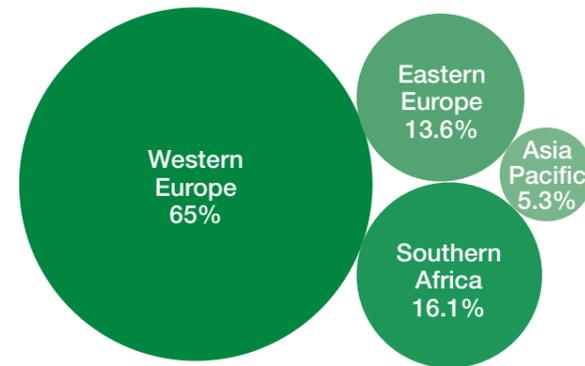
SPAR Poland opened their 100<sup>th</sup> store.

SPAR International developed a new strategy, Growing our Future Together.

Partnership remains at the core of our continued success. Today, the SPAR global partnership encompasses over 12,000 retail stores in 35 countries on 4 continents. SPAR has achieved cumulative growth of 18% over the last four years.

SPAR was founded in the Netherlands in 1932 as a partnership between retailers and wholesalers. In the early decades, in line with the vision of our founder Adriaan van Well, independent wholesalers and independent retailers worked together, under the brand SPAR, to combine their strengths. Over the decades the vision has broadened and company owned stores are an increasingly important part of the SPAR business. SPAR is expanding quickly in developing markets by recruiting successful regional retailers as SPAR partners.

## The Performance of SPAR in 2012



SPAR is the most international food retailer with retail operations in 35 countries. 65% of retail sales are achieved in Western Europe but no one country dominates. The Eastern and Central European region (13.6% of sales) and Southern African region (16.1% of sales) make very significant contributions to the overall results. Though the Asia Pacific region only contributes 5.3% of sales, it is the fastest growing region and offers significant opportunities for future growth.

### Western Europe

SPAR had a mixed performance in Western Europe during 2012. Norway (+9.8%) and Spain (+8.3%) performed particularly well. A number of other countries also achieved good growth including Austria (+3.7%), Belgium (+3.4%), Switzerland (+3%) and France (+1.5%).

The unrelenting financial crisis continued to impact on consumer confidence. Government policies of austerity resulted in a decline in disposable income and put further pressure on household budgets. Consequently, consumer spending in many countries remained flat or in decline. Consumers continue to seek value by buying more private label and promotional products which put pressure on sales and margins.

The financial crisis had a major impact on SPAR Greece where a collapse in consumer expenditure resulted in a 13.4% fall in sales. Italy had a difficult year, losing three SPAR partners. The crisis also impacted negatively on trading results in Denmark, Ireland, The Netherlands and the UK. All responded with increased promotional activity and extended private label ranges including discount lines.

### Eastern and Central Europe

SPAR continued its rapid expansion in Russia adding three new partners and finishing the year with 10 partners, 300 stores and annual retail sales of €1.132 billion. The first SPAR Hypermarkets opened in Tula and Chelyabinsk and SPAR Express has been introduced by SPAR Middle Volga.

SPAR Hungary improved performance with retail sales of €1.46 billion up 4.4%. An important initiative was the opening of the first independently operated store. SPAR Slovenia's Loyalty Card has been an enormous success with over 600,000 cardholders representing 70% of turnover.

SPAR Croatia continued to show strong growth and now have 7 INTERSPAR hypermarkets in Zagreb. Poland opened their 100<sup>th</sup> store and increased sales by 6%. Czech Republic (+1.5%) and Ukraine (-8%) operate in difficult retail environments.

### Southern Africa

SPAR South Africa achieved strong sales growth of 10.6% in a difficult trading environment. Sales in Euro were up 0.7% to €4.662 billion due to a weakened rand. SPAR South Africa is firmly established as the second largest SPAR country by retail sales. They placed a major focus on refurbishment with 147 store upgrades. They dispatch 195 million cases through their 7 DC's which is an increase of 50% since 2007.

SPAR now operates in eight sub-Saharan African countries. Results varied considerably from country to country. Botswana and Namibia, serviced by SPAR South Africa, achieved considerable sales growth in local currency. SPAR Zimbabwe suffered



from political and economic instability with sales down 7%. SPAR Zambia now has 12 stores with an excellent new store in Livingstone city centre. Nigeria and Mozambique continue to grow but at a slow pace while store numbers in Malawi and Mauritius remained unchanged.

### Asia Pacific

Retail sales in China grew by an impressive 66% to €1.186 billion. Store numbers increased by 40 to 215 with retail sales area exceeding 680,000m<sup>2</sup>. SPAR has established a strong presence in Shandong, Guangdong and Shanxi provinces. There are now 3 stores in Beijing with considerable prospects for further growth. The first store has opened with a new partner in Sichuan province.

SPAR Australia showed good growth of 10% to €190 million. All stores are operated by independent retailers and 22 new stores were added.

With the introduction of foreign direct investment into India, the SPAR partner sought a strategic partner who would co-invest in the business. SPAR is actively seeking new partners to re-enter India before the end of 2013.

### Middle East

The SPAR partner in the Middle East, Adcoops, opened a SPAR supermarket and prepared to open a hypermarket and SPAR Express store early in 2013.

### Retail Development

SPAR International continues to lead in the implementation of best international retail practice. The in-house Store Design Team was involved in a wide variety of leading edge projects in all four

store formats. Flagship stores were implemented in joint projects in Italy, Norway and Spain. Flagship hypermarkets and supermarkets were opened with new and existing partners in China and Russia.

SPAR International led a week long Travelling Retail Seminar to the USA in March with over 80 delegates participating. While many product and merchandising initiatives were noted, the introduction of SPAR Pharmacy was seen as an excellent opportunity.

### Supply Chain Development

SPAR International, with the assistance of the Warehouse Action Group, continued to support the development and efficient operation of new Distribution Centres in the Guangdong, Shandong and Shanxi provinces and the opening of a new DC in Beijing. Other key projects included the support of DC development for new SPAR Russia partners in Chelyabinsk and Tyumen. Benchmarking projects have been introduced to improve the efficiency of operations.

Support was also given to supply chain projects in Italy, Portugal and Spain.

### Online and mobile retailing

SPAR operates a four format retail strategy, namely hypermarket, supermarket, neighbourhood and convenience stores. The online and mobile retailing channels are becoming increasingly important as they take a larger share of the core grocery market. Online retailing will become the fifth SPAR format. A number of key SPAR initiatives in online retailing have been launched in Austria, the Netherlands and China.

# Growing our Future Together



### Growing our Future Together

The new SPAR International strategy was developed at the request of the International Board. Following discussion at a number of meetings, the Strategy was approved at the December 2012 Board meeting and presented at the International SPAR Guild Executive meeting in March 2013.

This new strategy builds on and develops the long term objectives of SPAR International. SPAR has demonstrated a flexibility and openness to new ideas from its earliest days, pioneering many important innovations including self-service, private label, bar coding and multi-format retailing. Our mission remains to facilitate the implementation of best practice in all areas of operations.

International expansion has been a strategic goal of SPAR International since its establishment in 1953. The development of SPAR over the first 80 years has seen the organisation establish a strong operational and strategic presence in Western Europe, Africa, Eastern and Central Europe, Russia and China.

The third important mission of SPAR International is to protect the SPAR Brand and trademarks and to develop its international recognition and reputation.

'Growing our Future Together' sets out the strategic objectives of SPAR for 2013-2015 under three broad headings; Growing our Partners, Growing our Presence and Growing our Brand which are outlined in the following columns.

### Growing our Partners

The SPAR International strategy focuses on the implementation of best international practice through the free exchange of information and knowhow within the SPAR network.

**Formats:** The multi-format retail strategy is constantly updated through the flagship store programme which involved 25 SPAR countries over the last decade. The introduction of EUROSPAR to Ireland, Belgium, Denmark, Norway, UK, Spain and Switzerland increased sales and market share. SPAR Express has been introduced to 10 countries.

The introduction of online and mobile retail solutions are now a priority. The Travelling Retail Seminars and Store Development Seminars have improved the SPAR shopping experience.

**Services:** SPAR International contributes to the improvement of operational efficiency in Logistics, ICT and Human Resources. The Warehouse Action Group assisted on the development of flagship Distribution Centres opened in China and Russia as well supporting developments in Italy, Portugal and Spain. The STOREIT Group shares information and supports implementation of POS Systems and Warehouse Management Solutions. The Transport Action Group will report on developments in modern transport management.

**Products:** The range of International SPAR brands will be expanded from 350 to 500 products. The 'Taste the World' range will be expanded.



*We will continue to enter into new territories to expand the global reach of the brand.*

### Growing our Presence

International expansion remains a key strategic mission of SPAR International. We seek to work with local partners who have the vision and capability of providing modern food retailing in their local market and who subscribe to the SPAR retailing principles.

Initially, SPAR expanded throughout Western Europe; in the 60's SPAR entered Southern Africa and in the 90's Eastern Europe. The focus in the 21st century has been expansion into the large developing markets of Russia and China. A footprint has also been established in Australia and the first stores opened in the Middle East.

The recruitment of new partners has enabled SPAR International to provide additional support services to members especially in the areas of format development, flagship stores, new product categories, distribution centres and technological innovation. The new partners have added life and vitality to the worldwide SPAR organisation. Indeed, China and Russia were amongst the top seven SPAR countries at the end of 2012 by retail sales and aim to be in the top five SPAR countries by 2015. The new partners are supporting the joint purchasing activities of SPAR International. They import the International SPAR Brands adding to our volumes and buying strength.

The main target is to extend the partner network in the key developing markets of Russia and China and to re-enter India with new partners. In these countries we also see opportunities for growth through sub-licencing and promoting independent retailers.

### Growing our Brand

The third strand of the strategy is to protect the SPAR Brand and trademarks and to develop its international recognition and reputation.

The joint marketing activities such as European Athletics sponsorship together with the advertising and promotional activities of SPAR members over the last 80 years has built SPAR as a global retail brand known and respected by consumers.

The sponsorship of European Athletics Championships will be continued through to the end of 2015. Additional /alternative sports sponsorship opportunities will be explored to grow awareness of the SPAR Brand beyond Europe into Africa and Asia.

SPAR countries are very active in CSR and sustainability initiatives and these are now an integral part of their business activities. The potential to leverage the combined power of SPAR through joint CSR activities will be explored.

SPAR International will continue its extensive brand protection programme. This includes the auditing and renewal of existing trademark registrations along with registering trademarks in new territories. We monitor worldwide trademark registrations to ensure compliance.

The SPAR Brand Manual will be updated to facilitate a consistent use of the SPAR tradenames and trademarks across all SPAR partners. Building awareness of the SPAR Brand through new media activities and promotions will be continued.

## Managing Director's Overview

Dr. Gordon R Campbell, SPAR International



*Meeting ever changing consumer needs requires ongoing refreshment of the formats.*



### Outlook 2013

The economic crisis in Europe continues to reduce disposable income and undermine consumer confidence, although consumer spending patterns have shown some slight improvement at the beginning of 2013. It is expected that trading conditions will remain tough throughout the year.

SPAR has achieved good growth in retail sales throughout the economic crisis and it is anticipated that this will continue in 2013. SPAR partners continue to place a focus on extending and renovating stores, expanding private label ranges, and improving the supply chain to deliver even more value to consumers. These strategies have been particularly effective in Austria, Norway and South Africa where market share has been increased.

Another important factor in SPAR growth has been the implementation of the SPAR multi-format retail strategy. For example, the active development of EUROSPAR supermarkets has driven market share growth especially in Belgium and Norway. SPAR Denmark has announced the conversion of 65 stores from another chain to EUROSPAR; this will give a very significant boost to their retail sales and market share in 2013.

SPAR Spain enjoyed a good year in 2012 with the opening of stores by new partners in the Catalonia and Murcia regions; further growth can be expected in 2013. SPAR Italy had a difficult year in 2012 when three partners exited SPAR. However, they have recruited new partners in Brescia, Sicily and Apulia.

The rapid expansion in the developing markets of Russia and China is expected to continue in 2013. There are still many opportunities in both markets to expand our geographic reach. The priority remains to recruit new regional SPAR partners. It is planned to grow to 13 SPAR Partners in Russia in 2013, to open 90 new stores and reach €1.4 billion in retail sales. In China the target for 2013 is to add 2 new SPAR partners, to open 40 new stores, and also grow retail sales to €1.4 billion.

SPAR International announced ambitious plans to develop throughout the Middle East in a co-operative venture with Abu Dhabi Co-operative Society (Adcoops). SPAR UAE have opened a flagship for each SPAR format in Abu Dhabi and 5 more SPAR supermarkets will be opened in the Abu Dhabi region during 2013. Sub-licence agreement has been signed with a major distributor, QNIE in Qatar and BMI Holding in Lebanon. The target is to have 30 stores open in the Middle East by the end of 2015.

For new markets we intend to use a 'stepping stone' approach, building on our existing market expertise and contacts as a base for entry. We will refine our market entry assessment framework and have a proactive recruitment campaign to ensure we recruit partners with the capability to attain significant market share in their licenced region.

**Dr. Gordon R Campbell**  
*Managing Director*  
*SPAR International*



# SPAR International Board



Leo Crawford



Peter Blakemore



Henrik Gundelach

The SPAR International Board met 4 times during 2012. Meeting first in Italy, then South Africa, Spain and finally in Amsterdam.

The main focus of the Board was on the continued growth and future development of the worldwide SPAR organisation, as well as the generation of the new SPAR International strategy, Growing our Future Together.



Gerhard Drexel



Claudio Giannetti



Gordon Campbell



Wayne Hook



Knut Johannson



Tobias Wasmuht

## SPAR International Board

Chairman: Leo Crawford

Members:

|                   |          |
|-------------------|----------|
| Gerhard Drexel    | A        |
| Henrik Gundelach  | DK       |
| Leo Crawford      | IRL      |
| Claudio Giannetti | ITA      |
| Knut Johannson    | NOR      |
| Wayne Hook        | SA       |
| Peter Blakemore   | UK       |
| Gordon Campbell   | SPAR INT |
| Tobias Wasmuht    | SPAR INT |

## International SPAR Guild Executive

Chairman: Leo Crawford

Members:

|                    |          |
|--------------------|----------|
| Gerhard Drexel     | A        |
| Karl Feurhuber     | A        |
| Stefan Knäbke      | D        |
| Henrik Gundelach   | DK       |
| Finn Degn Ovesen   | DK       |
| Leo Crawford       | IRL      |
| John Clohisey      | IRL      |
| Claudio Giannetti  | ITA      |
| Martin Pircher     | ITA      |
| Knut Johannson     | NOR      |
| Bjorn P. Bendiksen | NOR      |
| Wayne Hook         | SA       |
| Dan Maluleke       | SA       |
| Peter Blakemore    | UK       |
| Kevin Hunt         | UK       |
| Gordon Campbell    | SPAR INT |
| Tobias Wasmuht     | SPAR INT |



*The SPAR International Board works together to ensure ongoing development of the organisation.*





# Growing our Partners

## Growing our Partners

Through the exchange of Information and Best Practice

## Delivering Service to our SPAR Partners

The programme of work undertaken by SPAR International each year has a particular focus on supporting the growth and development of the existing SPAR Partners. This is achieved through a wide range of activities from facilitating the exchange of knowhow and best practice across all aspects of our business through to undertaking joint purchasing initiatives.



also on the SPAR International Intranet. Recently published is the Retail Store Operations Manual, while the SPAR Hypermarket Manual and the Warehouse Operations Manual will be published in the course of 2013. The implementation of best practice is supported through a series of flagship developments in retail and warehouse operations.

In response to the increasing focus of consumers on price and value, SPAR International has greatly developed its Buying services. It continues to work closely with SPAR countries in the BIGS Buying Group to improve and develop the SPAR International private label range of 300 products. The Buying team has also extended the range of products and services available; by adding new ranges including the SPAR International 'Taste the World' range and a warehousing and logistics service.

SPAR International supports countries not only in food products but also in purchasing non-commercial equipment such as shop fitting, transport and material handling equipment. Using the right equipment is an important factor in supporting the efficiency and sustainability of our operations and in creating well designed SPAR stores. In 1992, SPAR International formalized their relationship with leading suppliers of equipment and services by introducing Preferred Supplier Agreements. Since then, SPAR International has established a significant network of international Preferred Suppliers who are the market leaders and innovators in the retail and wholesale business.

SPAR International runs a comprehensive programme of Conferences, Study visits and Action Group meetings to support the exchange of knowhow, sharing ideas and working together. This is supported by a communication programme, both print and digital, facilitating the sharing of ideas across the Worldwide SPAR Organisation.

Particular emphasis is placed on sharing best practice. This includes the design, layout and merchandising of each SPAR retail format and also guidance on all aspects of store operations. The commitment to identify and share best practice also extends to the supply chain including warehouse operations and design through to transportation management.

Best practice is communicated through a number of Manuals that are available in hard copy and

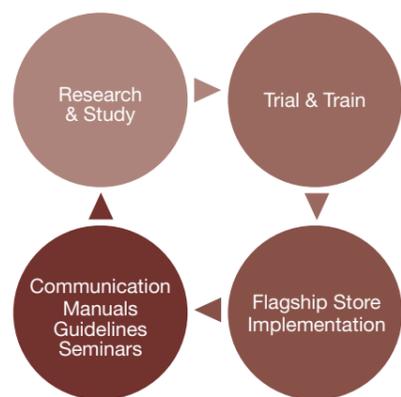
## Growing our Partners

Through guidance on Store Design and Layout

# Implementing Retail Best Practice

SPAR International plays an important role in supporting the implementation of SPAR retail best practice worldwide. It achieves this through working with new SPAR partners launching SPAR stores for the first time, as well as working with established SPAR countries to implement a multi-format strategy.

### Best Practice Continuous Development



Projects with SPAR Norway, DESPAR Italia and also Tomás Barreto in Spain showcase the approach of SPAR International in providing guidance on best practice to SPAR partners. Working to a well established continuous retail improvement cycle, SPAR International research and study the latest developments in international retail, test new innovations and help implement through flagship stores. The final step is the communication and sharing of results through the publication of manuals. The approach to retail improvement is illustrated in the above diagram.

In Tromsø in Northern Norway, SPAR International together with SPAR Norway co-operated with the SPAR independent retailer Bjorn Bendicksen to create Norway's largest SPAR store, a EUROSPAR

of 3,000m<sup>2</sup>. This purpose built store focuses on excellence in fresh foods and includes a large in store bakery, extensive hot and cold delicatessen counters, and fish and seafood.

The new store sales performance has exceeded expectations and contributes to further strengthening SPAR market leadership in Tromsø and to EUROSPAR becoming the fastest growing retail chain in Norway.

SPAR International also supported DESPAR Italia on the integration of the new regional partner L'Alco and the opening of the first stores by the new partner. Support included the design of the 1,250m<sup>2</sup> EUROSPAR and developing the launch campaign. Adhering to the EUROSPAR principles of strength in freshness, customers enter into a large fruit & vegetables section and continue their shopping experience through a fresh market, which centres upon a strong delicatessen department featuring local and regional specialities.

SPAR International are also actively working with Tomás Barreto to support the introduction of the EUROSPAR format in La Palma, Spain. Following the successful launch of the first EUROSPAR in San Pedro, plans are advanced to open another EUROSPAR in Los Llanos. Again this store will involve the conversion of an existing SPAR store by the doubling of the floor space allocated to fresh foods and the addition of a hot food area.

The EUROSPAR format has seen rapid growth in recent years.



The average SPAR store size has grown year on year over the last decade. Today in more than a third of SPAR countries the average store size is over 1,000m<sup>2</sup>. This growth has been fuelled by the growth of both the EUROSPAR Supermarket and Hypermarket formats. Traditionally strong in Central and Eastern Europe, SPAR now operates 352 INTERSPAR and SPAR hypermarkets worldwide.

The experience and learning from the development of INTERSPAR Hypermarkets in Europe as well as a series of international SPAR Hypermarket flagship stores in emerging markets form the basis of the Hypermarket Store Design Manual. Designed to facilitate sharing best practices to enhance store productivity, this manual illustrates the adaptability

of the INTERSPAR / SPAR Hypermarket format in meeting the needs of customers in stand-alone locations and within shopping mall environments.

In addition to flagship store innovation, SPAR International also continuously works with partners and SPAR members on projects such as the re-engineering of individual categories. A key project in 2012/13 has been the modernisation of our bread and bakery proposition with the development of a series of scalable category modules. Working in partnership with our preferred suppliers and SPAR Partners, we have been able to successfully trial this latest bakery concept. The roll out has been supported through the development of a Bakery Manual and dedicated bakery Masterclass.

## SPAR Buying Together

In response to the increasing focus of consumers on price and value, SPAR International has greatly developed its Buying and Trading service. It continues to work closely with SPAR countries in the BIGS Buying Group to improve and develop the SPAR International private label range of 300 products.



The SPAR Buying team has developed a third party warehouse and logistics service to supply mixed pallet loads of private label products. This service has been of great significance to both new and existing SPAR Countries in enabling them to improve their competitiveness by being able to offer a more comprehensive range of private label products.

The strategic priority for the Buying Team, for the period 2013 to 2015, is to:

- Negotiate improved prices on SPAR International Brands by tendering combined volumes;
- Work with the BIGS Private Label Action Group on new International SPAR Brands and;
- Grow the number of new ranges including the 'Taste the World' range.

### 'Taste the World' – Authentic Food by Authentic People.

'Taste the World' is the newest Private Label range from SPAR International. The range was created by utilising the expertise of SPAR buyers around the world to source high quality products at the best possible prices. Currently the 'Taste the World' range comprises 35 individual products. There will be regular additions to the range as suitable suppliers who meet the criteria are identified. POS material has been designed and produced to support the 'Taste the World' range.

A record 25 countries were supplied with SPAR private label products in the last year including many of the partners in Russia, Africa and most recently China.

There has also been a focus on developing the range of products offered. 2012 saw the launch of the 'Taste the World' range sourced from different SPAR Countries and also the innovative 'Chef in a bag' range.

The last year has also seen the introduction of new non-food ranges including the shower gel product range and the 'Sublime' range of cleaning products.

Private label products are constantly innovated in line with consumer shopping trends.



2012 saw a major growth in direct sales to SPAR partners with deliveries of SPAR private label products through the new warehouse and logistics service. This development will continue in 2013.

- SPAR International Brands will continue to be supplied in mixed pallet loads to all members of BIGS.
- The SPAR business to Russia developed very strongly during 2012. SPAR Middle Volga, SPAR Retail Moscow, SPAR Vostok and SPAR Tula are now regular customers and the newer partners - SPAR Tyumen and SPAR Chelyabinsk - are becoming increasingly active in sourcing product from SPAR International. SPAR International Brands have also been

introduced to SPAR St Petersburg and SPAR Krasnoyarsk.

- In Africa, good progress has been made in supplying product to Zimbabwe, Zambia and Nigeria. SPAR Zambia has successfully run a number of promotions based on SPAR products, while SPAR Zimbabwe has also purchased from SPAR International.
- Bordeaux wine from France has been delivered to SPAR China and other ranges have been supplied including the 'Taste the World' range.
- New business has been undertaken in the last year with SPAR Partners in Italy, Spain, Portugal and Ukraine.

## Supply Chain Excellence

Critical to success in food retailing is putting in place a modern supply chain which ensures that products are available in the correct quantity, at the right time and cost. It is also essential to be able to track product throughout the supply chain and have full confidence that the total chain is food safe.



SPAR International supports SPAR Partners in implementing supply chain excellence by identifying and sharing best practice warehouse operations, warehouse layout/design and transportation management. Throughout the year SPAR International runs a comprehensive programme of Conferences, Study visits and Action Group meetings. This programme supports the growth and development of the existing SPAR Partners through facilitating the exchange of knowhow and best practice across all aspects of our business.

The annual LOGIT Conference is pivotal to supporting the sharing of best practice. This annual Conference creates a forum for the exchange of knowhow by senior managers responsible for warehouse operations, transportation and Information technology. Sharing knowhow is supported through a well developed communication

programme – both print and digital facilitating the sharing of ideas.

LOGIT is also important for providing knowhow for new SPAR Partners. To highlight the importance of this event in supporting new SPAR partners develop modern supply chains, LOGIT 2013 will be jointly hosted by SPAR Russia and SPAR Middle Volga. This will be the first occasion that a major SPAR International event has been held in Russia.

The work of SPAR International in developing best practice manuals is supported by a number of Action Groups with the members drawn from leading SPAR Countries.

- The Warehouse Action Group (WAG) has supported the development of the Warehouse Operations Manual and has also supported the implementation of flagship Distribution Centres in China and Russia. Future work will focus on finalising a manual on Warehouse Design and reporting on developments in fully and partly automated warehousing.
- The Transport Action Group (TAG) will report on developments in modern transport management, which have become increasingly important with rapid increases in the cost of fuel and an ever increasing focus on carbon emissions.
- The STOREIT Group shares information and supports implementation of POS Systems and Warehouse Management Solutions. Future areas of interest are online and mobile retailing solutions and the impact of Omni-channel retailing.

Putting a modern supply chain in place is critical for success.



SPAR International actively promotes and supports SPAR partners in undertaking regular benchmarking at regional and national level and also internationally. Benchmarking plays an important role in improving performance and also creating a commitment to continuous improvement.

The benchmarking framework developed by SPAR International has been successfully implemented by SPAR China with the SPAR partners and has enabled all the partners to drive improved performance.

SPAR International will support SPAR Russia to introduce benchmarking of warehouse operations in the course of 2013 and will also continue to promote international benchmarking between SPAR Countries.

The following table lists projects supported by SPAR International and the Warehouse Action Group in the implementation of modern supply chains.

|                               |                                 |
|-------------------------------|---------------------------------|
| <b>CHINA</b>                  |                                 |
| SPAR Shandong                 | – New 30,000m <sup>2</sup> DC   |
| SPAR Dongguan                 | – New 40,000m <sup>2</sup> DC   |
| SPAR Shanxi                   | – New 46,000m <sup>2</sup> DC   |
| SPAR Beijing                  | – New 20,000m <sup>2</sup> DC   |
| SPAR Shanxi                   | – New DC planned for 2013       |
| <b>RUSSIA</b>                 |                                 |
| SPAR Tula                     | – Design support for planned DC |
| SPAR Middle Volga             | – Operational support           |
| SPAR Tyumen                   | – New DC                        |
| SPAR Chelyabinsk              | – Design Fresh DC               |
| SPAR Irkutsk                  | – Design new DC                 |
| <b>Existing SPAR Partners</b> |                                 |
| Cadla, SPAR Italy             | – Layout of new DC              |
| Cencosu, SPAR Spain           | – Design of DC expansion        |
| SPAR Portugal                 | – New DC                        |



# Growing our Presence

## Growing our Presence Through International Expansion

### International Expansion

2012 has been an outstanding year for international expansion of SPAR. During the last year SPAR has enjoyed record growth in two key target countries of China and Russia, both in terms of continued expansion by existing partners and the successful integration of new partners.



for 2013, which will result in continued expansion and growth.

A number of leading SPAR Countries have played a very active role in the international expansion of SPAR, notably Austria and South Africa.

SPAR Austria, one of the early countries to secure the SPAR licence, had the vision of developing SPAR as a major retailing brand in Central Europe. Through its daughter company Aspiag it has delivered on this vision with the development of SPAR in Slovenia, Hungary, Czech Republic and Croatia. It has also established a strong SPAR position in Northern Italy.

In Africa, SPAR South Africa, which is celebrating its 50<sup>th</sup> year of SPAR in 2013, has played a key role in extending the SPAR Brand in the Continent. It has been actively engaged in the introduction of SPAR to Botswana, Namibia, Mozambique, and Zimbabwe. SPAR South Africa is also working closely with SPAR International to extend the SPAR presence to other countries in sub-Saharan Africa.

SPAR International has pioneered the growth of SPAR in Russia and China. The result has been significantly increased sales and retailing selling space in both countries. Importantly, SPAR has also set in place a programme with SPAR UAE to develop a strong presence in the Middle East.

SPAR has from its founding, been an organisation focused on growth and expansion. The commitment to international expansion began with the setting up of the SPAR International organisation in 1953. This was a time of great interest in many European countries in the SPAR concept of partnership of wholesalers and retailers.

Adriaan Van Well, the founder of SPAR and first President of the International SPAR Board had the vision of expanding the SPAR partnership model throughout Europe and beyond. One of the primary purposes of SPAR International was to support this vision by actively working with partners in new countries to develop the SPAR concept.

We celebrate 60 years of international market development with a comprehensive programme

## Building SPAR in China

The SPAR model of partnership was identified by the China Ministry of Commerce as offering a path to retail modernisation, whereby locally owned Chinese retailers could organise to compete with multinational retail entrants. SPAR commenced operating in China in 2005 and now operates 215 SPAR Hypermarkets and Supermarkets across the country.



Together the 5 SPAR China Partners and SPAR International own and operate SPAR China Central Ltd., which in turn provides services to the regional SPAR partners. Central services include:

- Central Buying with Key FMCG suppliers through federal contracts;
- Development of private label ranges, both food and non-food;
- Fresh Food buying including importation;
- Logistics consultancy and planning including the design, planning and implementation of modern warehouses;
- Retail Store Design and Retail Operations Consultancy;
- National Promotions, Marketing and advertising campaigns;
- SPAR China Training Academy.

SPAR commenced operating in China in 2005 following the invitation by the Chinese Chain and Franchise Association (CCFA) to assist the development of the voluntary retail chain model in China. The SPAR model was identified as a key way in which locally owned Chinese retailers could organise to compete with multinational retail entrants.

Today, the SPAR group consists of Shandong JiaJiayue, Dongguan Jiarong, Shanxi Meetall, Beijing Huaguan and Sichuan Dehui. The group operates over 215 SPAR Hypermarkets and Supermarkets of 700,000m<sup>2</sup> of selling space supported by 10 Distribution Centres located across China. In the last 4 years, SPAR has built and developed 4 new modern food Distribution Centres operating on over 200,000m<sup>2</sup> of space.

Today, SPAR in China is a network of regional privately owned retail chains that choose to co-operate together in line with the original SPAR mission of working together to reduce costs, maximise sales and increase profits. SPAR China partners are part of a leading international group whilst maintaining 100% local ownership. SPAR in China is also a major employer with in excess of 30,000 employees.

The future strategy of SPAR China is to continue to implement a multi-format strategy. While the hypermarket was the first retail format launched, today the retail strategy is based on operating a multi-format strategy including online retail.

Locally sourced fresh produce is a requirement for consumers in today's market.



The foundation of the success of SPAR has been the strong geographic regional focus, achieving scale and density of store numbers in key growth regions throughout 6 provinces in China. A leading market share position has been achieved in a number of cities with multi-million populations. The needs of customers have been met through implementing the SPAR multi-format strategy and by developing a modern vertically integrated supply chain. SPAR is also a leader and pioneer in fresh food.

By harnessing the joint scale and resources of the SPAR China Group, individual partners have been able to benefit from the synergies of collaboration. Being part of an international group yet local; the SPAR partners are able to offer their customers the best of local and global.

### Key Milestones of SPAR in China

- Nov 2004 – Licence Agreement, Shandong Province
- April 2005 – Opening of 1<sup>st</sup> SPAR Hypermarket
- Nov 2006 – Licence Agreement, Guangdong Province
- Nov 2006 – SPAR China Central Office established
- June 2008 – Licence Agreement, Shanxi Province
- June 2010 – Licence Agreement, Beijing Province
- Sept 2010 – Opening of 100<sup>th</sup> SPAR store
- May 2012 – Licence Agreement, Sichuan Province
- Nov 2012 – Opening of 200<sup>th</sup> SPAR store

To read more about SPAR in China:  
china: [m.spar-international.com/china.html](http://m.spar-international.com/china.html)



SPAR continues to innovate in delivery of high quality foods in the fresh served departments.

## Building the SPAR presence in Russia

SPAR Russia achieved retail sales of €1.13 billion in 2012, an increase of 21%. This excellent performance was a result of SPAR Partners investing in new stores and in expanding the retail offer to meet customer needs. Last year saw SPAR extend its footprint with the recruitment of three new partners extending the brand into new regions.



From the opening of the first SPAR Supermarket in 2001 to today, the growth of SPAR has been a story of the commitment and passion of individuals to developing excellent SPAR stores, introducing new concepts and services tailored to Russian consumers.

The largest SPAR partner is SPAR Middle Volga, centred in Nizhny Novgorod. This success is based on growing its network of company owned stores and developing a sub-licenced network of independent SPAR stores supported by a modern Distribution Centre.

The pace of expansion and sales performance of SPAR in Russia has accelerated in 2 years, driven by the organic growth of existing partners. SPAR store numbers are now 300 with total retail sales area of 147,822m<sup>2</sup>. SPAR has developed clear positioning for the SPAR Supermarket focused on freshness and service. 2012 also saw the successful launch of both its convenience format SPAR Express and SPAR Hypermarket.

Based on successful development of the SPAR format and the SPAR system of co-operation, new partners have been attracted recognising the advantages of collaboration in purchasing and exchange of knowledge. Leading regional retail chains recognise the success of the SPAR Brand in Russia based on partnership, Russian Entrepreneurship and best International practice provided by SPAR International.

Company Chairman, Albert Gusev, who is also Chairman of SPAR Russia, is confident that SPAR is positioned to enjoy accelerated growth. He forecasts expansion in three ways; by extending the retail offer; by opening new formats such as SPAR Hypermarket and SPAR Express and by entering new regions.

An important new initiative pioneered by SPAR Middle Volga has been to enter an agreement with Lukoil, one of Russia's largest oil production and refining companies opening SPAR Express on petrol forecourts. To date 4 SPAR forecourt stores have opened with an outstanding increase in sales following the conversion to SPAR Express. The stores offer a wide range, with 2,300 products including pastries, snacks and coffee. 10 SPAR Express stores are planned for opening in 2013 in cooperation with Lukoil.



SPAR Hypermarkets were introduced to Russia over the last 15 months. The most recent opening in SPAR Tula builds on a strong market position achieved through a chain of 68 SPAR Supermarkets. Anton Belobragin and team opened a 6,500m<sup>2</sup> SPAR Hypermarket, with wide fresh assortments, strong value proposition and non-food offer. Tula Hypermarket out-performed all sales, customer count and average sale forecasts.

The first SPAR Hypermarket is now open in the Urals city of Chelyabinsk. The 7,000m<sup>2</sup> store welcomed a total of 5,000 customers on the opening day; with basket spend on average 40% higher than other store formats in the region. Joint MD Dmitry Bukharin highlighted that the SPAR Hypermarket was the only store in Chelyabinsk which has its own chef.

SPAR successfully strengthened its position in the strategically important market of St Petersburg opening 10 stores with new partner, Intertorg. SPAR also built on its entry into Siberia with stores opening in Krasnoyarsk and Tyumen.

Three new partners joined SPAR: SPAR Tyumen, SPAR Irkutsk and SPAR Komi; bringing the total of SPAR Partners to 10. Negotiations are advanced with a number of new partners.

To read more about SPAR in Russia:  
[Russia: m.spar-international.com/russia.html](http://Russia.m.spar-international.com/russia.html)



## Growing our Presence

Through Expansion of Territories

# Introducing SPAR in the Middle East

SPAR International have confirmed ambitious plans to develop SPAR throughout the Middle East in a co-operative venture with Abu Dhabi Co-operative Society (Adcoops). Adcoops has received the licence to operate SPAR in the UAE with options to sub-licence SPAR to suitable partners in a number of other countries in the MENA region.



While each SPAR format will have a distinct retail proposition, all will focus on being best in fresh. The hypermarket has an extensive range of quality produce, meat fish, deli and bakery; it also has a strong offer of food-to-go featuring Arabian, Asian and European dishes and an Italian style café.

The first SPAR stores in the UAE offer an exceptional quality fresh shopping experience to customers and raised the bar on supermarket standards. They combine excellence in fresh with quality, safety and friendly customer service. They have an enormous range and variety of products at very competitive prices. The sales in all three flagship stores are exceeding targets.

The next stage of development will see the opening of 5 more SPAR supermarkets in the Abu Dhabi region during 2013. The Dubai market is also being targeted and suitable locations researched.

A joint venture and sub-licence agreement, approved by the SPAR International Board in 2012, has been put in place by Adcoops with QNIE in Qatar. The first two SPAR Supermarkets will open in Doha before the end of the year. A similar agreement is in place for Lebanon. Several sites are being targeted and at least one supermarket should open before the end of the year. Negotiations are also advanced with a potential partner in Oman.

These plans were unveiled in Abu Dhabi in early 2013 at the opening of the first SPAR Compact Hypermarket in the United Arab Emirates (UAE). Adcoops intend to develop the SPAR multi-format retail strategy throughout the MENA region.

Together, SPAR International and Adcoops have identified an opportunity for SPAR to take a leading role in the food retail market in the Middle East. In the initial development phase SPAR UAE have opened three SPAR flagship stores: SPAR Hypermarket (3,500m<sup>2</sup> sales area), SPAR Supermarket (1,800m<sup>2</sup> sales area), and the SPAR Express convenience store (550m<sup>2</sup> sales area) each of which has their own distinct customer offer.

The opening of the first SPAR hypermarket in Abu Dhabi was an occasion of great ceremony.



### Building Flagship stores in Abu Dhabi

The story of SPAR in the Middle East is one of putting in place the framework to build SPAR as a major food retailer in the region. The first step was to identify a partner with a shared vision regarding developing SPAR in the region. Following the initial Agreement between SPAR International and Adcoops, work proceeded on the development by SPAR UAE of flagship stores in Abu Dhabi.

The first SPAR Supermarket in Khalidiya Abu Dhabi opened in 2011. Parking has recently been added and all the retail outlets in the foyer are now operational. Retail sales continue to grow and with only local promotion have now reached a very satisfactory level from 1,800m<sup>2</sup> sales area.

The SPAR Hypermarket in Khalifa 'A' district is a store of 3,500m<sup>2</sup>. This store has been fitted out to award winning standards. The fresh departments are recognised as setting new standards for the Middle East.

The SPAR Express is the third of the flagship stores to open and is based on the best international practice in developing convenience retail.

To read more about SPAR in Abu Dhabi:  
UAE: [m.spar-international.com/uae.html](http://m.spar-international.com/uae.html)





Growing our  
*Brand*

Brand Visibility  
**38% Broadcast**

TV Broadcast  
**1,400 Hours**

Cumulative Audience  
**300 Million**

## Growing our Brand

Through protecting the Brand Globally

# Building Awareness of the SPAR Brand

SPAR International is active in promoting awareness of the SPAR Brand through ongoing initiatives designed to create awareness and also actively protects the integrity and values of the brand. Awareness of the brand and its values are actively communicated at international, national and regional levels.

As a retail brand, the awareness of SPAR is firstly developed through the customer experience in our stores. SPAR International through its Retail Design, Brand Design and Retail Operations manuals provides knowhow to support retailers to create a unique SPAR experience, incorporating best international practice. Through the SPAR Brand Manual a consistent use of the SPAR logo, trade names and trademarks is maintained.

The following table summarises some of the support resources available to SPAR Partners from SPAR International.

### SPAR International Support Material

- SPAR Corporate Identity
- Store Design (all formats)
- Store Build / Construction
- Front of House & Back of House Specifications
- Retail Operations
- Product Category Innovations (Kitsu, Treehouse, Censa)
- Merchandising Best Practice
- Warehouse, Distribution & Store IT
- Brand Packaging
- Public Relations
- Human Resources
- Sustainability & Corporate Social Responsibility
- Preferred Suppliers

SPAR countries are very active in implementing responsible retailing initiatives and these are now an integral part of their business activities. An increasing number of SPAR Partners formally report on their annual performance in relation to these initiatives. This commitment to sustainability is aided by the SPAR International launch of its Strategy2Sustain initiative.

SPAR International will continue to promote the SPAR Brand by maintaining and developing the current annual programme of conferences and events. It will continue to be innovative in its approach to digital and social media.

Through its extensive brand protection programme, SPAR International will continue to audit existing trademark registrations and also monitor worldwide trademark registrations to ensure compliance and take action against all infringements of SPAR intellectual property rights.



The Sponsorship of European Athletics will be continued through to the end of 2015. Many SPAR countries have embraced sport sponsorship as a vital tool in communicating the values of SPAR. Through sport, SPAR communicates its commitment to the local community, to health and wellness, sustainability and good causes; and strives for excellence.

The following are just a few of the sponsorships supported by SPAR partners:

- SPAR Netherlands supported the 7<sup>th</sup> Alpe d'HuZes in 2012, which raised a staggering €32 million for cancer research.
- SPAR UK undertakes the SPAR Sprints Stars programme, as part of its UK Athletics sponsorship.
- SPAR Great Ireland Run took place in April 2012 with nearly 11,000 runners of all ages.

- SPAR Switzerland sponsors FC Vaduz and also has an innovative agreement with the Swiss Handball Association.
- SPAR Austria has teamed up with the Austrian Ski Federation to make 'SPAR Natur\*pur' the official sponsor.
- SPAR Eastern Cape sponsors SPAR NMMU Netball Club at Nelson Mandela Metropolitan University.
- SPAR Zimbabwe sponsors the Zimbabwe 7's Rugby team (The Cheetahs).
- SPAR Poland sponsor the Speedway Club, based at the stadium named SPARena.

To read more about SPAR Strategy2Sustain: [s2s: m.spar-international.com/s2s.html](https://m.spar-international.com/s2s.html)



## Building SPAR through Sport Sponsorship

Through its long term sponsorship of European Athletics, SPAR International builds awareness of the SPAR Brand not only in Europe but also internationally due to the reach and exposure achieved. Through this long term commitment, SPAR is closely identified with encouraging healthy lifestyles including healthy eating, which are in line with the SPAR values.



The incredible media extravaganza generated by the Championships resulted in more than 1,000 hours of TV coverage across 38 countries. This was also the first time the events were live-streamed over the internet with an English commentary. The live streaming was sponsored by SPAR and provided access to the event to viewers all over the world.

There was a high level of SPAR Brand visibility achieved through the use of boards, backdrops, composites, printed materials and advertisements, with the SPAR Brand visible 38% of the time. Throughout the event, SPAR worked with national partners in each country to develop maximum awareness of the sponsorship and the link with individual athletes.

The SPARK kids' athletics park and nutrition education area was a huge success, with a great number of children taking part in the activities accompanied by their parents. There was a strong focus in SPARK on the three elements of athletics: running, jumping and throwing. The young enthusiasts enjoyed being able to experience a hurdle race, try sprinting out of the official Omega start blocks and run through the SPAR branded finish line.

The Nutrition Zone provided young people with information on healthy eating in a fun and interactive way and attracted interest from children and adults.



50 participating countries  
162,532 spectators  
479 Brand exposure hours  
651 TV broadcasts  
38% SPAR onscreen visibility

2012 saw SPAR associated with two major events in the sporting calendar – the European Athletics Championships held in Helsinki and the 19<sup>th</sup> SPAR European Cross Country Championships, held in Budapest. These are two very different events, but both delivered significant media coverage and exposure to the SPAR Brand.

The European Athletics Championships, which ran for 5 days from June 27<sup>th</sup> 2012 was a curtain raiser for the London Olympics. This is a major international event and provided an excellent opportunity to raise awareness of the SPAR Brand amongst consumers worldwide. This was the first occasion that the Championships were held in the same year as the Olympics, providing one of the last opportunities for athletes to prepare for the Olympics in August.

The 19<sup>th</sup> SPAR European Cross Country Championships, held in Budapest, were a huge success due to the extensive support provided by SPAR Hungary. There were six races held during the one day event. The Championships took place in an outdoor museum in the Hungarian capital; a unique venue with a hugely interesting and unusual course for the athletes.

SPAR Hungary provided catering and entertainment for 300 children throughout the day, ensuring that families enjoyed the experience immensely. The strong support was also evident through the promotional activities undertaken which created awareness and interest in the event.

Billboards were erected throughout the city, advertising SPAR sponsorship of the event.

Children were encouraged to become involved by participating in a colouring competition. A Facebook game was also developed by SPAR Hungary to support the event. Successful customers were rewarded with SPAR shopping vouchers and tickets to the Championships.

Building on the success of Helsinki 2012, SPAR International also sponsored the live-streaming of this event, which proved to be a great success. This initiative ensures the Championships are accessible worldwide, reaching fans that are unable to view TV coverage.

To read more about SPAR Sports Sponsorship: [sports: m.spar-international.com/sports.html](http://sports.m.spar-international.com/sports.html)



## Growing our Brand

Through Utilisation of New Channels

# SPAR and New Media

SPAR International has embraced new media in building awareness of the SPAR Brand globally. It is also used as a unique medium to support the exchange of knowhow and best practice. SPAR Partners worldwide are increasingly developing innovative ways of utilising social media to connect with our customers and staff.



In an ever increasingly digital world, SPAR International extensively utilises digital technology to communicate to its customers as well as its partners worldwide. Internally, our intranet site [www.sparconnect.com](http://www.sparconnect.com) connects the SPAR organisation allowing the rapid sharing of the latest best practices and developments. In response to the recent phenomenal development in Social Media and increasing access to the web through the explosion in smart phone and tablet ownership, a number of new initiatives have been launched.

The 'See the World with SPAR' social media campaign was an innovative and new way to communicate our brand values to an international audience. Another initiative was the development of a Wine application, Wine Wizard, a digital solution that helps customers choose a wine to suit their preferences.

'See the World with SPAR' was an interactive international online competition. Launched in Norway, the UK, Ireland, Slovenia, Italy and South Africa, SPAR Countries made it possible for winning contestants from each of the countries to win a trip around the world. During their travels through 15 countries and across 4 continents, the winners became global SPAR reporters; collecting and sharing stories from the communities where SPAR has a presence.

The SPAR reporters used a cross media mix of photo, video and copy through YouTube, Twitter, Facebook and Flickr. Together with a blogging function, this content was automatically collated and displayed on the SPAR Facebook page of their country. The tone of voice of the reports was appealing to a young audience with a fast pace of life - short, friendly and to the point.

Online publicity was achieved through 472 international press releases and nearly 30,000 tweets containing #sparworldtrip, reaching nearly 3.5 million twitter accounts. The application videos were viewed over 100,000 times in total and reached nearly 3 million Facebook accounts.

To read more about SPAR online:  
**see the world: [m.spar-international.com/seetheworld.html](http://m.spar-international.com/seetheworld.html)**



Online retailing and affiliated online advertising is being embraced in SPAR.



SPAR International and SPAR Ireland joined forces to create the SPAR Wine Wizard, a digital solution designed to assist customers select a wine to suit their preferences. The app uses an interactive online platform and was created by taking learnings from similar apps launched in other SPAR Countries, with SPAR Austria being the pioneer.

Customers that shop for wines generally appreciate assistance in selecting a wine, seeking information on the vineyard, the region as well as matching foods. The SPAR Wine Wizard makes wine selection easier and in particular makes the shopping experience in the wine department both fun and more accessible.

The Wine Wizard is available to the customer via a website, an iPhone app and on an instore iPad kiosk, and is very simple to use. In addition to scanning the barcode to access information, customers can also browse a 'featured' section, where wines are listed that are on promotion, exclusively available at SPAR, award winners, or even wines that are recently added to the range.

For real wine enthusiasts, the journal feature includes specific blogs posted by SPAR Ireland's wine expert, providing great tips and insights about a wine, wine regions, producers or recipe suggestions.

# Growing Stronger

SPAR is the most international food retailer with retail operations in 35 countries.

## Our Countries:



### Western Europe

- |  |   |
|--|---|
| <p><b>Austria</b><br/>Year Joined: 1954<br/>Store Numbers: 1,524<br/>Sales: €5,560 m</p> | <p><b>Italy</b><br/>Year Joined: 1959<br/>Store Numbers: 1,479<br/>Sales: €3,663 m</p>          |
| <p><b>Belgium</b><br/>Year Joined: 1947<br/>Store Numbers: 283<br/>Sales: €841 m</p>     | <p><b>Netherlands</b><br/>Year Joined: 1932<br/>Store Numbers: 275<br/>Sales: €461 m</p>        |
| <p><b>Denmark</b><br/>Year Joined: 1954<br/>Store Numbers: 448<br/>Sales: €1,002 m</p>   | <p><b>Norway</b><br/>Year Joined: 1984<br/>Store Numbers: 276<br/>Sales: €1,582 m</p>           |
| <p><b>France</b><br/>Year Joined: 1955<br/>Store Numbers: 968<br/>Sales: €983 m</p>      | <p><b>Portugal</b><br/>Year Joined: 2006<br/>Store Numbers: 74<br/>Sales: €47 m</p>             |
| <p><b>Germany</b><br/>Year Joined: 1953<br/>Store Numbers: 384<br/>Sales: €200 m</p>     | <p><b>Spain</b><br/>Year Joined: 1959<br/>Store Numbers: 1,079<br/>Sales: €1,248 m</p>          |
| <p><b>Greece</b><br/>Year Joined: 1969<br/>Store Numbers: 175<br/>Sales: €592 m</p>      | <p><b>Switzerland</b><br/>Year Joined: 1989<br/>Store Numbers: 170<br/>Sales: €470 m</p>        |
| <p><b>Ireland</b><br/>Year Joined: 1963<br/>Store Numbers: 410<br/>Sales: €1,082 m</p>   | <p><b>United Kingdom</b><br/>Year Joined: 1956<br/>Store Numbers: 2,417<br/>Sales: €3,183 m</p> |

### Eastern & Central Europe

- |  |   |
|--|---|
| <p><b>Croatia</b><br/>Year Joined: 2004<br/>Store Numbers: 22<br/>Sales: €288 m</p>        | <p><b>Russia</b><br/>Year Joined: 2000<br/>Store Numbers: 300<br/>Sales: €1,132 m</p> |
| <p><b>Czech Republic</b><br/>Year Joined: 1992<br/>Store Numbers: 44<br/>Sales: €558 m</p> | <p><b>Slovenia</b><br/>Year Joined: 1992<br/>Store Numbers: 88<br/>Sales: €721 m</p>  |
| <p><b>Hungary</b><br/>Year Joined: 1992<br/>Store Numbers: 391<br/>Sales: €1,460 m</p>     | <p><b>Ukraine</b><br/>Year Joined: 2001<br/>Store Numbers: 34<br/>Sales: €66 m</p>    |
| <p><b>Poland</b><br/>Year Joined: 1995<br/>Store Numbers: 115<br/>Sales: €90 m</p>         |   |

### Africa

- |  |   |
|--|---|
| <p><b>Botswana</b><br/>Year Joined: 2004<br/>Store Numbers: 27<br/>Sales: €111 m</p> | <p><b>Nigeria</b><br/>Year Joined: 2009<br/>Store Numbers: 3<br/>Sales: €41 m</p>           |
| <p><b>Malawi</b><br/>Year Joined: 2011<br/>Store Numbers: 1<br/>Sales: €2 m</p>      | <p><b>South Africa</b><br/>Year Joined: 1963<br/>Store Numbers: 805<br/>Sales: €4,663 m</p> |
| <p><b>Mauritius</b><br/>Year Joined: 2000<br/>Store Numbers: 6<br/>Sales: €22 m</p>  | <p><b>Zambia</b><br/>Year Joined: 2003<br/>Store Numbers: 12<br/>Sales: €51 m</p>           |
| <p><b>Mozambique</b><br/>Year Joined: 2000<br/>Store Numbers: 3<br/>Sales: €14 m</p> | <p><b>Zimbabwe</b><br/>Year Joined: 1966<br/>Store Numbers: 51<br/>Sales: €217 m</p>        |
| <p><b>Namibia</b><br/>Year Joined: 2004<br/>Store Numbers: 28<br/>Sales: €132 m</p>  |   |

### Asia Pacific & Middle East

- |  |  |
|--|--|
| <p><b>Australia</b><br/>Year Joined: 1994<br/>Store Numbers: 122<br/>Sales: €190 m</p> | <p><b>Japan</b><br/>Year Joined: 1977<br/>Store Numbers: 86<br/>Sales: €72 m</p> |
| <p><b>China</b><br/>Year Joined: 2004<br/>Store Numbers: 215<br/>Sales: €1,186 m</p>   | <p><b>UAE</b><br/>Year Joined: 2011<br/>Store Numbers: 1<br/>Sales: €6 m</p>     |
| <p><b>India</b><br/>Year Joined: 2004<br/>Store Numbers: 13<br/>Sales: €40 m</p>       |  |



## Western Europe



● **SPAR Austria** maintained its pattern of growth with retail sales increasing 3.7% to €5.56 billion. Store numbers grew to 1,524, with retail sales space now totalling 1.1 million m<sup>2</sup>.

There was again a major focus on store refurbishment with 100 existing outlets upgraded to higher specifications. To guarantee nationwide local supply, SPAR opened 80 new stores in both small communities and larger cities.

Climate protection continues to be a strategic priority, with a new environmentally friendly store opened in Linz-Froschberg. Energy consumption at the store is 50% less than a regular supermarket. Accessibility for disabled shoppers is also a key feature of the store. SPAR now operates 6 environmentally friendly stores in Austria.

Employment again grew with 1,000 jobs created during the year. SPAR continues to be one of the largest private employers in the country with 40,000 staff of which 2,700 are apprentices.

A new agreement signed with Shell Austria resulted in 28 new SPAR Express openings. In addition, 11 stores were launched in partnership with Doppler Mineralöle on petrol forecourts. The pace of expansion of SPAR Express is expected to continue in 2013, with some 30 stores planned to open.

INTERSPAR developed a new concept in 2012 called 'INTERSPAR pronto'. This new store type offers customers extended opening hours from 6.00am to 11.00pm seven days a week.

An important development in the SPAR Private Label range was the launch of SPAR Veggie. The label consists of 43 vegetarian and vegan products. Gwyneth Paltrow, the Hollywood star and health food advocate, was the brand representative for the marketing campaign.

In 2012, SPAR modernised and relaunched the website [www.spar.at](http://www.spar.at). Distinctive features of the website include recipes, information about the SPAR private labels and job vacancies. The new website is also mobile compatible.



● **SPAR Belgium** retail sales continued to grow, with an increase of 3.4%, bringing total sales to €841 million. SPAR is operated in Belgium by SPAR Retail (part of the Colruyt Group), which is responsible for 224 stores and Lambrechts N.V., which is responsible for 60 stores.

In Spring 2012, SPAR Retail launched a strategic positioning campaign highlighting quality produce available at competitive prices in SPAR stores. This was complemented with a sticker initiative, allowing customers to select their own instore discount.

The success of SPAR Retail has been recognised through a number of industry awards. Among the awards were the national cheese-specialist in the supermarket category and being specially nominated in the new 'Best in Retail' award, due to their success in providing top quality customer service.

SPAR Lambrechts opened its first SPAR Express store in April. All new store development is focused on the environment with the use of glass doors on refrigerators and LED lighting to conserve energy.



● **SPAR Denmark** experienced a decline as a result of intensified competition with extended opening hours for multiples. Store numbers fell to 448 and retail sales decreased 6.6% to €1 billion. The performance is reflective of the very difficult economic environment, as unemployment figures are rising and GDP levels decreasing.

An important strategic development has positioned SPAR for significant growth in 2013, with a major expansion of the EUROSPAR format.

A high profile marketing campaign was launched called 'The SPAR Family presents – True Retailers'. This was created to celebrate the large number of independent retailers at the heart of SPAR in Denmark. These 'True Retailers' are excellent with customers, part of the local community and create a great atmosphere in their stores.

There is a continued focus on developing eco-friendly stores. A SPAR store on the island of Bornholm is set to produce up to half of its annual electricity needs through the installation of solar cells.



● **SPAR France** retail sales grew 1.5% to €983 million in 2012. Store numbers also increased to 968, with retail sales area now measuring 264,000m<sup>2</sup>. This result was achieved against a background of high unemployment, low purchasing power and is an excellent performance in a difficult environment.

There has been an increased consumer demand for shopping local. As a result, a new store concept has been developed which focuses on creating high quality neighbourhood supermarkets.

Fruit and vegetables are placed at the front of each store, highlighting the fresh look and feel. There is a focus on friendliness and warmth, with pleasant lighting and soft soothing colours. The new store design also allows for some customisation allowing the retailer to tailor the design to meet their neighbourhood needs.

Six SPAR stores have adopted the new design to great success. The figures show an increase in the number of customers per day and higher basket spend.



● **SPAR Germany** store numbers grew by 44 to 384 nationwide. This represents a 13.5% increase in retail selling space totalling 30,896m<sup>2</sup>.

The majority of SPAR Express stores in Germany are located at petrol forecourts. The Company are also starting to target high footfall locations such as railway stations and airports. During the year two stores were opened in Stuttgart train station and another was launched at Chemnitz.

The store at Chemnitz has since been awarded best convenience store for 2012. The jury decision was based on its modern design and the wide range of products available. The focus instore is on fresh food, such as fruit and vegetables, a meat counter and Food to Go. It also features a 48m<sup>2</sup> Bistro area, with a variety of fresh food offers from sandwiches to baked goods.

SPAR Germany will expand in 2013, with further stores planned both on petrol forecourts and at high footfall locations.



● **SPAR Greece** again competed strongly in a difficult retail environment, with total retail sales down 13% to €592 million. Consumer spending has seen a significant decline as a result of decreasing wages and income tax increases.

In order to combat this decline, SPAR Greece has invested in customer communication. Daily television advertising throughout the year was complemented by a large national campaign focused on price cuts and better value. This strategy has contributed to the Company retaining its overall market share.

The total number of stores declined to 178, with a retail sales area of 137,000m<sup>2</sup>. During the year one new store was opened, while 12 under-performing stores were closed.

SPAR has placed a major emphasis on promoting local produce. Products are clearly labelled as being from Greek origin. This was undertaken in response to the growing interest Greek customers are showing in buying local produce to support the economy.



● **SPAR Ireland** brought 2012 to a close on a high, winning the country's top two convenience retailing awards for 'Convenience Store of the Year' and 'Forecourt of the Year'. SPAR also launched a new flagship store, along with the 'My SPAR Rewards Club' loyalty programme and 'SPAR Tasty Deli'.

These milestones are a great platform for SPAR Ireland to build on past success as it enters its 50 year celebrations.

Against the backdrop of one of the toughest retail climates in Europe, SPAR Ireland reported total sales of €1.08 billion. This represents a 3.1% decrease from 2011 but is a strong performance in the context of the economic conditions. SPAR Own Brand sales continued to grow with a 10% growth in sales.

There was significant investment in improving logistics and supply chain, with the opening of a new state-of-the-art 20,000m<sup>2</sup> National Distribution Centre. A new Fresh and Chilled distribution partnership was also launched.



● **SPAR Italy** faced exceptionally difficult economic conditions in 2012. Consumer spending power decreased following increased VAT rates, increasing property taxes and growing unemployment. New government legislation, which reduced supplier payment terms by 30 days, also impacted negatively.

Retail sales declined 5% this year to €3.66 billion. The number of stores also fell 5% to 1,479, with retail sales area now measuring 842,926m<sup>2</sup>.

Faced by the extremely difficult market circumstances, three of the SPAR Regional wholesalers ceased operations. This loss was, however, compensated for with the recruitment of three new partners to DESPAR. Aspiag Italy, Cadla and GAM continued to perform well and together with existing and new partners are laying the foundation for future growth.

One of the major successes of DESPAR has been its private label programme. This range comprises more than 2,500 SKUs, which have been developed to respond to changing consumer requirements.



Sales of private label products grew by 6.5% in the last year reflecting the increased importance of value for money considerations by the Italian consumer.

During the year, L'Alco, one of the new DESPAR Partners, converted 42 stores to DESPAR neighbourhood, EUROSPAR and INTERSPAR formats. This programme of development included the opening of their flagship EUROSPAR at Travagliato.

Product offering has again been a major focus during the year. A new project, 'DESPAR Winery' was developed, offering customers 12 wines from 4 Italian regions. The vineyards were carefully selected to ensure a great quality to price ratio. To support this, a brochure containing recipes and travel tips was created and distributed to customers.

As part of their marketing strategy, a new Facebook campaign was launched to communicate the strong value that the DESPAR Premium range offers customers. It was very well received, helping to raise the profile of the brand.



● **SPAR Netherlands** recorded retail sales of €461 million, a decline of 6%. The country is facing an increasingly difficult economic environment, with falling consumer spending, lower exports and government austerity measures.

SPAR responded to the difficult market by entering a period of consolidation, with the moving of smaller stores to another format. High footfall locations were targeted in city centres, with 9 new SPAR convenience stores opened.

To celebrate 80 years of SPAR in the Netherlands, a Jubilee magazine was distributed to all customers. A high profile competition was also launched where customers could win 80 seconds of free shopping in their local SPAR store.

The private label range packaging has been refreshed with a modern look and feel. To date 150 products have been updated, with 300 more due in early 2013.

The number of retail staff attending the SPAR Academie increased during the year.



● **SPAR Norway** performed very strongly with retail sales growing 9.8% to €1.582 billion. The Norwegian economy has performed well in recent years, assisted by low interest rates and high oil prices. GDP growth this year was 3.2%, with the grocery market also performing strongly at 3.4%.

The Trumpf Loyalty Card was an important focus throughout the year. There is intense competition in the Norwegian grocery market and this strategy assists in maintaining customer loyalty. By year end, 42% of customers held a Trumpf card. The goal for 2013 is to increase this to 50% coverage.

The first self-scanning checkout was launched in November. To date, customers have reacted positively to this development. If the pilot scheme is successful, the project will be rolled out to further stores.

A social media campaign was launched on Facebook in March, focusing on digital activities and competitions, which successfully increased the number of followers.

● **SPAR Spain** performed exceptionally well in 2012, growing 8% to €1.248 billion. This is an impressive performance as Spain continued to experience a harsh economic environment. Government austerity and an unemployment rate of 26% impacted negatively on consumer spending.

SPAR enjoyed impressive growth in store numbers, as 177 new shops opened during the year, bringing the total to 1,079, with a retail sales space of 393,420m<sup>2</sup>.

New store development has been concentrated in two Spanish regions; Murcia with 100 new SPAR stores open and 70 new stores in Catalonia.

The SENSATIONS brand, a private label range of cosmetic products has grown by 21% in the year. The range was initially launched in 2011, with 22 products, but has now grown to 110.

This range was developed in response to SPAR's policy of continuously adapting to its customer's needs.

SPAR continued to focus on their corporate social responsibility strategy throughout the year. An incredible 11,000kgs of goods were donated to the Food Bank in Gran Canaria. SPAR also sponsored the Gran Canaria Marathon for the second year running. A total of 4,000 athletes competed in the event, where the SPAR logo and image was visible on the athletes' bibs and on display boards.

● **SPAR Portugal** continued to expand with retail sales increasing 6.5% to €47 million. 16 new stores were opened, bringing the total to 74, with retail selling space of 24,413m<sup>2</sup>.

An important initiative in the last year was the opening of its warehouse operation, which allows for greater logistical efficiency and a faster response time to retailers. The warehouse is currently managing over 1,100 private label SKU's.

Private Label was a key focus during the year. New products were launched each month to help stores become more competitive on price.

● **SPAR Switzerland** strengthened its position and gained market share with retail sales growing 3% to €470 million. This is a very strong performance considering the difficult retail environment, which has been characterised by a strong currency and negative consumer sentiment.

The number of stores increased to 170, with the opening of three SPAR Express stores. SPAR Switzerland recently acquired Contashop AG, which operates 45 forecourt stores. These will be converted to the SPAR Express format, strengthening the group's position in the growing convenience market.

There is also a continued focus on CSR, as the Group extended their sponsorship of FC Vaduz Soccer team.

The new eco-friendly supermarket in Berne is the first store in Switzerland to feature an integral cooling system. The waste heat generated is used to heat the store, eliminating the need for fossil fuels. This has reduced CO<sub>2</sub> emissions and saves 21,000kWh per year.

● **SPAR UK** sales dipped slightly to €3.183 billion, in a difficult retail environment, a 0.2% decrease since last year. A major focus has been placed on price and value. The campaign has been extremely successful delivering €1.8 million in sales per week.

Six key permanent value initiatives were introduced to cater for consumer needs and improve customer price perception of SPAR stores. This new strategy has increased footfall and basket spend.

'Fresh for less' is a new initiative which guarantees customers at least 5 seasonal fruit and vegetables at £1 each day. This has been popular with both customers and retailers.

Another value initiative focuses on Baby products. All prices in the SPAR baby range have been reduced to match the market leader, to attract mothers into the store. The range caters for all core baby needs and new POS has been designed to highlight the offer.

SPAR UK received an outstanding 87 awards for its private label products in 2012. Winning awards provides a great opportunity to showcase the quality and value of private label products to customers.

A new private label range of Italian products has been launched, including ready meals, pizza, pasta and sauces. Customer awareness has been developed through tasting sessions and bright, colourful merchandising.

Instore innovation plays a huge part in the success of SPAR. Last year's Wine Festival saw private label wine brand sales increase 20%, with promotional sales up 38%. The SPAR Cider Festival also boosted seasonal sales in participating stores.

A new digital initiative called Mobile Marketing has been launched in South West UK. This allows retailers to promote store-specific offers to their local market. Customers can download a free SPAR mobile app, which includes offers, recipes, a store locator and general SPAR news.

*SPAR International supported  
DESPAR Italia on the integration of  
the new regional partner L'Alco and  
the opening of their first stores.*





## Eastern & Central Europe



● **SPAR Croatia** continued to grow in 2012, with retail sales reaching €288 million, representing a 9% increase. The group operate 16 INTERSPAR stores and 6 supermarkets, with a total retail sales area of 71,316m<sup>2</sup>.

A new 'neighbourhood' SPAR concept was launched which has a strong focus on fresh and convenience. This new concept concentrates on everyday shopping needs and includes a wide assortment of fruit and vegetables and also an array of freshly baked breads.

The first eco-INTERSPAR, measuring 3,700m<sup>2</sup>, was opened in Zagreb. This features LED lighting and uses waste water from the cooling system as an additional heating source. The new store confirms the importance placed on Green Energy.

The group maintained their focus on corporate social responsibility. They continued with their support of the Bear Refuge Project and participated in 'World Cleanup 2012'.



● **SPAR Czech Republic** enjoyed an increase of 1.5% in retail sales, bringing the total to €558 million. There are currently 44 stores operated nationwide, consisting of 33 INTERSPAR, 9 SPAR neighbourhood and 2 SPAR convenience stores.

The SPAR city concept, a new convenience store with a focus on fresh produce, was launched. There is also a range of general grocery items available and an extensive choice of SPAR-to-Go products. To date, two new SPAR city stores have opened in Prague.

2012 marked the 15<sup>th</sup> Anniversary of INTERSPAR in the Czech Republic. The first INTERSPAR was opened in Budweis in 1997.

The company developed their digital and social media presence. Facebook was launched in February and by the end of the year had attracted 18,000 fans. It has been recognised as the third fastest growing Facebook site in the Czech Republic.



● **SPAR Hungary** performed strongly in 2012, with retail sales increasing 4.3% to €1.460 billion. SPAR is one of the country's leading grocery chains and employs more than 12,000 staff, making it the 6<sup>th</sup> largest employer in the state.

A large scale renovation project involving 249 stores was undertaken during the year. The new design focuses on better placement of product within the store and renovations were also undertaken to improve the external store fronts.

The company continued to focus on their corporate social responsibility strategy. 170 tons of non-perishable food items and 1,000 kilograms of meat were donated to charity. In addition, a cash donation of €50,000 was made.

A major achievement was the launch of the SPAR franchise system for independent retailers. This development offers an important opportunity for the expansion of the SPAR business.



● **SPAR Russia** enjoyed an exceptional performance, with sales growing 21% to reach €1.132 billion. This is a significant achievement as retail sales have exceeded €1 billion for the first time in the company's history.

Three new Partners joined during the year - SPAR Tyumen, SPAR Irkutsk and SPAR Komi. In addition, SPAR Middle Volga acquired SPAR Povolzhie. The latter company now operates 169 stores and is achieving turnover of €454 million.

The first dedicated 'Food-to-Go' conference was organised by SPAR Russia in July. This was well attended and provided a detailed assessment of all aspects of Food-to-Go, as well as supporting the development of an enhanced 'Food-to-Go' offering.

SPAR Middle Volga launched SPAR Express in partnership with Lukoil, one of Russia's largest oil companies. The new store format offers a wide range of 2,300 products, including pastries, snacks and coffee-to-go. Due to the initial success, 10 further stores are planned for 2013.



● **SPAR Slovenia** increased retail sales by 1% during the year to €721 million.

There was a major focus on the expansion of SPAR private label. 180 new products were launched during the period, increasing private label turnover by 4%.

The exclusive SPAR Veggie range was launched in September. To support this, customers could access a link on the SPAR website, where a top chef created vegetarian meals using SPAR Veggie products.

All SPAR and INTERSPAR stores are now supplied with products from the SPAR Bakery, which increased production by 11% during the year.

Approximately 70% of total turnover is achieved through the loyalty scheme. Research has shown that the SPAR Plus card is the most used loyalty card in the Slovenian market. By the end of 2012, more than 600,000 customers, or 85% of Slovenian households, have signed up to the SPAR Plus loyalty card.

● **SPAR Poland** reported a 6% increase in retail sales, which total €90 million. There are currently 115 stores nationwide, as 56 new stores were opened during the year. It is planned to open a further 56 stores in 2013.

An important focus is placed on Sports sponsorship. SPAR is the main sponsor of the Speedway Club, with the club stadium named the SPARena. They also sponsor Ralf Wilk, the double gold medallist from the London Paralympics.

● **SPAR Ukraine** saw store numbers increase to 34 but there was a slight decline in retail sales this year to €66 million, reflecting the continuing economic slowdown. Many stores are now open 24/7, with some partners offering a special promotion of 10% discount on Sundays.

The last year has seen the opening of a number of stores in high footfall urban locations, which have performed well. The SPAR Partners are focused on expansion in 2013.



# Africa



● **SPAR South Africa** group turnover grew by 10.6% to 51.2 billion Rand. This was an exceptional performance as trading was impacted by an unsettled political and labour environment, which contributed to a decrease in consumer spending power.

Due to the weakness of the Rand in foreign exchange markets, sales in terms of Euros are marginally down at €4.663 billion.

Supporting local communities is of huge importance. This is actively encouraged throughout the business as it represents a key differentiator of the SPAR Brand in South Africa.

SPAR South Africa is focused increasingly on its environmental impact. The Group again participated in the Carbon Disclosure Project, which allows for accurate measurement of carbon footprint. The project has proved immensely beneficial as the company reduce their expenditure on energy and fuel, therefore minimizing the impact of the proposed carbon taxes, which are due to come into effect in 2015.

The group despatched 195 million cases through the seven SPAR Distribution Centres. This represents a 6.4% increase on volumes handled in 2011.

The rising price of fuel has renewed the focus on more effective route management systems. These new systems have improved truck turnaround times, reviewed driver training and increased the use of bio-fuels; this has resulted in reduced transportation costs.

The Private Label ranges continued to perform well and now account for 12% of turnover. This growth has been driven by innovative product ranges and excellent support from SPAR retailers.

A strategic business review was undertaken during the year. This assisted in highlighting the future direction and anticipated success of the business. The Company are confident that good independent retailers with strong central support will continue to succeed in a competitive retail environment.

● **SPAR Botswana** performed well again in 2012 as retail sales grew 13.8% to €111 million. The number of stores remained at 27, with 25,613m<sup>2</sup> of retail selling space. The key focus remains on the delivery of excellent customer service. Much of the imported product is sourced from South Africa.

● **SPAR Mozambique** opened their first 3 SPAR Supermarkets during the year. This has been achieved with the support of the SPAR South Africa Lowveld Distribution Centre. Ambitious plans are in place to increase the footprint of SPAR in this country.

● **SPAR Namibia** recorded retail sales of €132 million in 2012. In local currency, actual retail sales grew by 50%. An increase of 3.4% was recorded in Euros due to declining currency exchange rates. Store numbers grew to 28. A strong emphasis is placed on CSR, with involvement in both local and national initiatives. This programme supports positive social change and gender equality.

● **SPAR Malawi** enjoyed good growth but was negatively impacted by a 50% devaluation of the local currency. Retail sales of €2 million represents a slight decline. Consumer spending has been eroded by increased interest rates and high import charges. Despite the negative economic conditions, SPAR has registered an increase in customer numbers.

● **SPAR Mauritius** showed no change in retail sales this year. The number of stores declined as two underperforming outlets were closed. The economy is hugely dependent on the tourism market. This has been negatively impacted by the global recession as the country is predominantly reliant on European visitors.

● **SPAR Nigeria** retail sales grew 85% to €41 million last year. A third SPAR store was opened in late 2012. Expansion plans are in place for additional stores. Nigeria, with the largest population in Africa, offers significant potential.

● **SPAR Zambia** experienced a slight decline in retail sales this year to €51 million. There were a number of new store openings, bringing the total to 12 nationwide, with 20,100m<sup>2</sup> of retail selling space.

The first SPAR Express store was opened during the year, offering convenient shopping to local customers. This new format provides the best quality fresh produce at affordable prices with great customer service.

An expansion plan has been rolled out in the Copperbelt, with the opening of a number of new stores. The SPAR Livingstone store has also been relocated to a more convenient site in the city centre. Future plans include the development of at least five more stores in 2013.

There is a continued focus on sourcing SPAR Private Label ranges, which have become key products and feature prominently on promotional leaflets.

● **SPAR Zimbabwe** experienced a challenging year as the country remained politically and economically unstable. Unemployment rates are unsustainable at over 90%, with food inflation running at 10%.

As a result of this harsh economic environment, retail sales declined 7% to €217 million and the number of stores decreased by 13 to 51. SPAR has dropped to 3<sup>rd</sup> position from 1<sup>st</sup> in 2009/2010.

Despite this decline, the group have continued to focus on their CSR activities. The SPAR Family Fun Run took place in June and attracted more than 2,000 participants. A total of €7,600 was raised for Childline Zimbabwe.

SPAR Zimbabwe is committed to supporting local communities by working with small producers in developing private label ranges. The Mother of the Year competition gained prominence during the year with more than 1,500 entries.



## Asia Pacific & Middle East



● **SPAR China** again recorded outstanding growth of 66% to €1.186 billion. This is an exceptional achievement as retail sales grew to over €1 billion for the first time. Store numbers also increased by 40 to 215 nationwide, with 681,400m<sup>2</sup> of retail selling space.

Average basket spend has risen considerably due in part to growing consumer spending power and also because of exchange rate inflation.

The urban population in China now exceeds 50%, with over 650 million people living in urban areas. This rapid growth provides SPAR retailers with numerous opportunities to expand and open new stores.

A new Partner, SPAR Sichuan, signed a Licence Agreement during the year. They have opened their first store.

There has been a continued focus on online training during the year. The training covers all aspects of the job including best practice videos which offer successful retail tips, adapted to suit the changing needs of the Chinese market.

● **SPAR Australia** continued to enjoy growth, with retail sales increasing 10% to €190 million. 22 new stores were opened, bringing the total to 122. Retail selling space now measures 41,955m<sup>2</sup>. The group have focused on building a strong and stable base to encourage future growth.

Some 3,000 new product lines were introduced to stores this year. In addition, the cold store facility has been expanded and a warehouse opened in Sydney.

● **SPAR India** achieved retail sales of €40 million this year. Max Hypermarket India Pvt. Ltd., the SPAR Partner, relinquished the Licence towards the end of the year, resulting in the withdrawal of the SPAR Brand from the Indian market.

● **SPAR Japan** retail sales declined to €72 million. There are currently 86 stores nationwide. This is a satisfactory result as the economy remains in recession and the Yen continues to weaken against other major currencies.

● **SPAR UAE** recorded retail sales of €6 million this year. The first SPAR Hypermarket was opened in Abu Dhabi, measuring 3,500m<sup>2</sup>. It features a comprehensive range of meat, fish, deli and bakery departments. It also has an extensive offer of Food-to-Go featuring Asian, Arabian and European dishes and an in-store seating area.

The SPAR Express format will be introduced in 2013 and the next stage of development will see 5 more stores rolled out. There is also a planned expansion into Lebanon and Qatar.

# SPAR Partners Worldwide

## Australia

SPAR Australia Limited

## Austria

SPAR Österreichische Warenhandels AG

## Belgium

SPAR Retail NV (part of Colruyt)  
SPAR Lambrechts NV

## Botswana

SPAR Botswana  
The SPAR Group Limited, South Africa

## China

SPAR China

SPAR Regional Companies:

SPAR Beijing  
SPAR Guangdong  
SPAR Shandong  
SPAR Shanxi (and Inner Mongolia)  
SPAR Sichuan

## Croatia

SPAR Hrvatska d.o.o. (part of ASPIAG)

## Czech Republic

SPAR Česká obchodní společnost s.r.o. (part of ASPIAG)  
SPAR Šumava s.r.o.

## Denmark

SPAR Danmark A/S (part of Dagrofa A/S)

## France

SPAR France SAS (part of Groupe Casino)

## Germany

SPAR Handelsgesellschaft mbh

## Greece

Veropoulos Bros S.A.

## Hungary

SPAR Magyarország Kereskedelmi Kft. (part of ASPIAG)

## Ireland

SPAR Ireland (part of BWG Foods)

## Italy

DESPAR Italia Consorzio a r.l.

SPAR Regional Companies:

Aspiag Service S.r.l.  
C.A.D.L.A. S.p.A.  
Cannillo S.r.l.  
Ergon S.c. a.r.l.  
FIORINO S.n.c..  
G.A.M. S.r.l.  
Gruppo 6 G.D.O. S.r.l.  
TUO S.p.A.  
SCS (Supermercati Consorziati Sardegna) S.C. a r.l.  
L'Alco Grandi Magazzini S.p.A.

## Japan

Hokkaido SPAR Co., Ltd.

## Malawi

SPAR Malawi

## Mauritius

SPAR Mauritius (part of Groupe Casino)

## Mozambique

SPAR Mozambique  
The SPAR Group Limited, South Africa

## Namibia

SPAR Namibia  
The SPAR Group Limited, South Africa

## Netherlands

SPAR Holding B.V.

## Nigeria

SPAR Nigeria

## Norway

SPAR Norway (part of NorgesGruppen ASA)

## Poland

SPAR Polska Sp. z o.o.

## Portugal

SPAR Portugal S.A.

## Qatar

SPAR Qatar

## Russia

SPAR Russia

SPAR Regional Companies:

SPAR Chelyabinsk  
SPAR Irkutsk  
SPAR Krasnoyarsk  
SPAR Komi  
SPAR Middle Volga  
SPAR Retail Moscow  
SPAR St. Petersburg  
SPAR Tula  
SPAR Tyumen  
SPAR Vostok

## Slovenia

SPAR Slovenija d.o.o (part of ASPIAG)

## Spain

SPAR Española, S.L.

SPAR Regional Companies:

Agrucan, S.L.  
Cencosu, S.A.  
Domingo Marqués, S.A.  
Excluib, S.A.  
Fragadis, S.L.  
Grupo Upper Sociedad Cooperativa  
Insular General Alimentaria, S.A.  
José Padilla Francés, S.L.  
Líder Aliment, S.A.  
Miquel Alimentació Grup, S.A.U.  
Romen, S.L.

Supermercados Marcial, S.L.  
Tomás Barreto, S.A.  
Victoriano Moldes Ruibal, S.A.

## South Africa

The SPAR Group Ltd.

## Switzerland

SPAR Handels AG (Schweiz)

## UAE

SPAR UAE

## Ukraine

SPAR Ukraine

SPAR Regional Companies:

SPAR Dnipropetrovsk  
SPAR Kharkiv  
SPAR Luhansk

## United Kingdom

SPAR UK Ltd.

SPAR Regional Companies:

Appleby Westward Group Plc  
A.F. Blakemore & Sons Ltd.  
James Hall & Co. (Southport) Ltd.  
Henderson Wholesale Ltd.  
C.J. Lang & Son Ltd.

## Zambia

SPAR Zambia Ltd.

## Zimbabwe

SPAR Zimbabwe Ltd.

SPAR Regional Companies:

SPAR Eastern Region  
SPAR Western Region

## Action Groups

The Action Groups provide a unique platform for working together and exchanging knowledge.

### Marketing Action Group

Chairman: Tobias Wasmuht SPAR International: Gary Harris, Niels Dekkers, Penny van der Kaars

|                 |    |                     |     |                    |     |
|-----------------|----|---------------------|-----|--------------------|-----|
| Gerhard Fritsch | A  | Jesús González      | ESP | Marielle Witjes    | NL  |
| Manu Suffeleers | B  | Stratis Batagis     | GRE | Martin Munthe-Kaas | NOR |
| Wolfgang Frick  | CH | Suzanne Weldon      | IRL | Rebecca Whitmore   | UK  |
| Linda McBeth    | DK | Gianluca Di Venanzo | ITA |                    |     |

### Human Resources Action Group

Chairman: Frank O'Donoghue SPAR International: Jutta Klassen, David Moore

|                |    |                       |    |              |    |
|----------------|----|-----------------------|----|--------------|----|
| Raimund Lainer | A  | Helene Renton Eidsvig | NO | Sam Davidson | UK |
| Allan Nielsen  | DK | John Connelly         | UK |              |    |

### Warehouse Action Group

Chairman: Frank O'Donoghue SPAR International: Dieter Dornauer, Harm Huismans

|                   |    |                |    |             |    |
|-------------------|----|----------------|----|-------------|----|
| Haibin Tang       | CN | Trevor Currie  | SA | Pat McGarry | UK |
| Per Tellef Arning | NO | Anthony Barton | UK |             |    |

### BIGS Action Group

Chairman: Gordon Campbell BIGS: Michel Laurant, Natasha Crabtree

|                     |        |                     |     |                        |     |
|---------------------|--------|---------------------|-----|------------------------|-----|
| Robert Schaumburger | A      | Jacob Heinz         | DK  | Simone Pambianco       | ITA |
| Norbert Moharitsch  | Aspiag | Jens Dinesen        | DK  | Jan-Hein van Spaandonk | NL  |
| Manuela Huber       | Aspiag | Menelaos Roufis     | GRE | Mark Keeley            | UK  |
| Luc Lauwers         | B      | Panagiotis Moudakis | GRE | David Harland          | UK  |
| Silvie Bauwens      | B      | Simon Marriott      | IRL |                        |     |
| Stefan Flammer      | CH     | Barry McDonnell     | IRL |                        |     |

### STOREIT Action Group

Chairman: Frank O'Donoghue SPAR International: Harm Huismans

|                    |    |                 |    |              |    |
|--------------------|----|-----------------|----|--------------|----|
| Hannes Leobacher   | A  | René Severinsen | DK | Enno Stelma  | SA |
| Günther Prossinger | A  | Per Røed        | NO | Roy Ford     | UK |
| Preben Gaardsøe    | DK | Line Trælvik    | NO | Joanne Kelly | UK |

### Transport Action Group

Chairman: Frank O'Donoghue SPAR International: Dieter Dornauer, Harm Huismans

|                |    |              |    |             |    |
|----------------|----|--------------|----|-------------|----|
| Thomas Fellner | A  | Mark Clayden | UK | Pat McGarry | UK |
| Marius Råstad  | NO | Barry Davies | UK |             |    |

## Statistics 2012

| Country        | Retail Sales<br>€ x 000's | Retail Store<br>Numbers | Retail Sales<br>Area (m <sup>2</sup> ) | Average Store<br>Size (m <sup>2</sup> ) |
|----------------|---------------------------|-------------------------|--|---|
| Austria        | 5,560,000                 | 1,524                   | 1,085,862                              | 713                                     |
| South Africa   | 4,663,000                 | 805                     | 899,669                                | 1,118                                   |
| Italy          | 3,663,000                 | 1,479                   | 842,926                                | 570                                     |
| U.K.           | 3,183,000                 | 2,417                   | 374,995                                | 155                                     |
| Norway         | 1,582,000                 | 276                     | 164,982                                | 598                                     |
| Hungary        | 1,460,000                 | 391                     | 391,689                                | 1,002                                   |
| Spain          | 1,248,000                 | 1,079                   | 393,420                                | 365                                     |
| China          | 1,186,000                 | 215                     | 681,400                                | 3,169                                   |
| Russia         | 1,132,000                 | 300                     | 147,822                                | 493                                     |
| Ireland        | 1,081,544                 | 410                     | 115,538                                | 282                                     |
| Denmark        | 1,002,000                 | 448                     | 166,759                                | 372                                     |
| France         | 983,000                   | 968                     | 264,227                                | 273                                     |
| Belgium        | 841,000                   | 283                     | 138,059                                | 488                                     |
| Slovenia       | 721,000                   | 88                      | 142,197                                | 1,616                                   |
| Greece         | 592,000                   | 178                     | 137,004                                | 770                                     |
| Czech Republic | 558,000                   | 44                      | 150,747                                | 3,426                                   |
| Switzerland    | 470,000                   | 170                     | 71,524                                 | 421                                     |
| Netherlands    | 461,000                   | 275                     | 105,474                                | 384                                     |
| Croatia        | 288,000                   | 22                      | 71,316                                 | 3,242                                   |
| Zimbabwe       | 217,000                   | 51                      | 42,207                                 | 828                                     |
| Germany        | 200,000                   | 384                     | 30,896                                 | 80                                      |
| Australia      | 190,000                   | 122                     | 41,955                                 | 344                                     |
| Namibia        | 132,000                   | 28                      | 28,100                                 | 1,004                                   |
| Botswana       | 111,000                   | 27                      | 25,613                                 | 949                                     |
| Poland         | 90,000                    | 115                     | 31,542                                 | 274                                     |
| Japan          | 72,000                    | 86                      | 9,332                                  | 109                                     |
| Ukraine        | 66,000                    | 34                      | 27,352                                 | 804                                     |
| Zambia         | 51,000                    | 12                      | 20,142                                 | 1,679                                   |
| Portugal       | 47,000                    | 74                      | 24,413                                 | 330                                     |
| Nigeria        | 41,000                    | 3                       | 7,655                                  | 2,552                                   |
| India*         | 40,000                    | 13                      | 42,000                                 | 3,231                                   |
| Mauritius      | 22,000                    | 6                       | 5,700                                  | 950                                     |
| Mozambique     | 14,000                    | 3                       | 6,400                                  | 2,133                                   |
| U.A.E.         | 6,000                     | 1                       | 1,400                                  | 1,400                                   |
| Malawi         | 2,000                     | 1                       | 1,650                                  | 1,650                                   |
| Qatar**        |                           |                         |  |   |
| <b>Total</b>   | <b>31,975,544</b>         | <b>12,332</b>           | <b>6,691,967</b>                       | <b>543</b>                              |

\* SPAR India ceased operations during 2012

\*\* Qatar will open their first SPAR store in 2013