



Growing our Future **Together**

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SPAR International Annual Report 2014



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Growing our Future Together

SPAR International Annual Report 2014



China

After another year of strong growth, SPAR China is approaching 1 million square metres of retail selling area. This is a remarkable achievement after its first decade of trading and is second only to the largest SPAR country, Austria. The growth of SPAR accelerated in 2014 with retail sales of €1.78 billion up 25% year on year.

SPAR China has moved to a multi-format/multichannel strategy. The SPAR Hypermarket, of which there are 95, remains the core format, accounting for over 70% of retail sales area. The balance of turnover is accounted for through 204 large supermarkets, neighbourhood stores and convenience stores. All formats are flexible and adapted to local trading conditions. In 2014, 22 SPAR Express stores were opened and 4 of the partners offer online retailing in Guangdong, Shanxi, Sichuan and Henan provinces. SPAR Sichuan, which joined in 2013, has opened a total of 25,000m² selling space, and new partner, SPAR Henan, have opened their first stores.

China's retail market has developed in a short period of time, and is now the world's second largest after the USA. Retail sales have more than doubled between 2008 and 2014. Growth rates have slowed, the market has become more competitive and wages have risen substantially. These changes present many challenges for retailers. Nevertheless, great opportunities exist in China. SPAR is well positioned with its multi-format flexible retail strategy including online and strong supply chain to drive further expansion of both new and existing partners and become a leading retailer in the market.

2014 was a breakthrough year for SPAR with entry into 5 new countries in Asia, Africa and Eastern Europe. The most significant were the entry into India and Indonesia, two dynamic emerging markets with large populations and enormous potential for modern retail. These strategic developments built on our presence in China and Japan and provide a strong foundation for further growth in South East Asia.

Growing Our Presence

SPAR entered 10 new territories in 2014. We added four partners in Russia, bringing our total to 16. We added one partner in China, in Henan province. In addition to the key openings in India and Indonesia, SPAR commenced in two sub-Saharan African countries, Angola and Malawi and in Eastern Europe in Georgia. SPAR ended 2014 with retail operations in 40 countries on 4 continents and with 12,314 stores.

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WE ALL BENEFIT
FROM JOINT COOPERATION



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DOOR EENDRACHTIG
SAMENWERKEN PROFITEREN
ALLEN REGELMATIG

Our founder **Adriaan van Well** had a vision that if retailers and distributors worked together in partnership all would benefit

Together with the support and cooperation of our partners we are achieving the required brand focus.



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SPAR ended 2014 with retail operations in 40 countries on 4 continents and with 12,314 stores.

Russia

Growth accelerated in Russia in 2014 with retail sales of 75 billion Rouble, up 33% on the previous year. This represented €1,443 billion at average currency values, up only 8.8% on 2013, as a result of the devaluation of the Rouble during the year, but especially in the last two months of 2014.

The growth in 2014 was achieved through the continued opening of new stores but with a special focus on the SPAR Hypermarket format. Four SPAR Russia partners - St Petersburg, Tula, Chelyabinsk and Tomsk - all opened new hypermarkets helping to achieve the excellent 38% growth in retail selling space.

The political and economic crisis in Russia, however, impacted on sales in the second half of the year. Sales growth slowed and in many regions like for like sales were neutral. As we enter 2015 consumer confidence has fallen. This, together with the sharp decline in oil and commodity prices, will result in reduced consumer spending. The devaluation of the rouble and the increase in interest rates has impacted on new store openings.

In the short term, the focus of our partners in Russia will be on improving productivity in retail and supply chain operations. They will seek efficiencies to reduce costs and new store development will be more strategic. In the medium term we remain confident that new partners will be recruited and that SPAR will continue to grow strongly especially in the large metropolitan markets of Moscow, St Petersburg and Nizhny Novgorod.

India

In India, SPAR International was pleased to renew its partnership with Max Hypermarkets which resulted in the conversion of 16 Hypermarkets with 71,522m² sales surface to SPAR.

This major undertaking was successfully accomplished within the planned six month timetable. It required the concentrated efforts of the SPAR International Retail Development, Operations, and Design teams and was a tremendous achievement. Their focus was on implementing the core SPAR Brand values of Freshness and Value and on training and developing management and staff to achieve and maintain higher operational standards. Initial results are very encouraging with significant improvements in sales and margins.

India is a country of enormous opportunities and great challenges. It has a population over 1.2 billion, more than a sixth of the world's total, and is projected to be the world's most populous country by 2025. Small, traditional family run stores dominate food retailing with supermarkets representing less than 7% of total trade. There is a young population with a rapidly expanding consuming class. Modern retailing is concentrated in the 10 largest cities all of which have populations in excess of 5 million. These cities will be the focus of SPAR operations in the medium term.

Our target is to open 30 SPAR Hypermarkets by the end of 2017. The plan also envisages achieving retail sales of €300 million by 2019, thereby ensuring that SPAR enjoys a strong position in the modern Indian food retail market.

Indonesia

In September, SPAR International entered into a partnership with Ramayana Lestari Sentosa Tbk PT. in Indonesia. Ramayana is a leading, publicly quoted retail chain with 118 stores throughout Indonesia trading under the Ramayana and Robinson retail brand names. Ramayana is a department store chain selling a wide range of products including food, clothes, accessories, bags, shoes, cosmetics and other household items. Their supermarkets operate under the Robinson brand.

Ramayana has a proven record of success and a strong entrepreneurial culture and represents a great strategic partner for SPAR International. Ramayana has ambitious plans to grow its food retail business and the agreement will see the new SPAR Partner rebrand its existing Robinson stores to SPAR, as well as developing new store nationwide. The first three SPAR Supermarkets, each with 1,600m² sales surface, opened on the same day, March 4th 2015.

Indonesia has a population of 240 million and is the world's fourth most populous nation. It is a vast archipelago of 17,000 islands extending 5,150 kilometres east to west, between the Indian and Pacific Oceans in Southeast Asia. It has a young population and a fast growing middle class. Modern food retail only accounts for 25% of food retailing which is a major opportunity for SPAR. SPAR will help the company to expand, meeting consumer needs for a pleasant shopping experience in an environment with a focus on fresh. The target is to open 50 stores by the end of 2017.

Africa

SPAR South Africa is one of the three leading food retailers in South Africa. SPAR International and SPAR South Africa work in close partnership to develop the SPAR Brand throughout Africa. There are now SPAR retail operations in 10 sub-Saharan African countries. Outside South Africa, the most successful are Botswana and Namibia which have achieved significant scale and market share. SPAR Zimbabwe continues to experience political and economic challenges while SPAR Zambia is growing steadily. SPAR Nigeria opened its fifth store in Port Harcourt late in 2014, which is trading very successfully. Retail operations are growing steadily in Mozambique and Mauritius. We opened the first stores in Angola and Malawi in 2014.

Most of the economic and social changes in sub-Saharan Africa are in a positive direction. Growth rates have been high and education standards improving. These developments have resulted in the emergence of a growing middle class which provide opportunities for the expansion of modern retail. Africa's strong performance has been partially the result of high commodity prices but is also due to a fundamental improvement in economic activity. Governments have become more stable and the outlook is good.

The Economist included seven African countries in the top ten fastest growing in the period 2011 to 2015. While many challenges remain in terms of lack of infrastructure, political and operational risks, SPAR will continue to target Africa for expansion opportunities.

Managing Director's Overview

Dr. Gordon R Campbell, SPAR International.



SPAR continues to be modern and relevant and understands the strategic importance of offering our customers an extensive choice.

Middle East

SPAR International views the Middle East as a region with considerable development potential for SPAR. Retail development in the United Arab Emirates has been slower than expected. In 2014 there was considerable focus on organisational and structural changes by our partner, Abu Dhabi Co-Op. The year ended with retail sales of €55 million from 4 stores.

Khimji Ramdas has officially opened its first SPAR stores in Oman. SPAR International partner in Lebanon, Retail Works SAL, launched their first two stores in Beirut. The openings in Oman and Lebanon are part of SPAR International's strategy of strengthening our presence in the Middle East with a vision of being one of the Top 5 retailers in the Middle East with a target of 30 stores by the end of 2017.

Growing Our Partners

SPAR must remain modern and relevant to the ever-changing needs of our customers. Across the globe SPAR faces growing competition from international and national retailers while in many markets the discounters continue to gain market share.

Equally challenging is the need to respond to the changing lifestyles of our customers. Even though SPAR operates in 40 countries on 4 continents, many common trends can be identified. In markets with aging populations, customers are seeking healthier eating options and advice on wellness products. The concern regarding health and wellness is not the preserve of older consumers, but is a driver

of innovation in modern food retailing. In many markets consumers look to retailers for solutions to meet these concerns with health and wellness.

Single person households are on the increase and are now in the majority in many metropolitan markets. This results in a demand for ready prepared meals and single serve helpings. While fresh, healthy products are increasingly in demand there is also a requirement for value. There is a growing demand for access to online retailing.

In such a changing retail landscape, SPAR listens to its customers, understands their needs, and tailors the retail offer to create a point of difference from competitors. SPAR ensures that is relevant to our target consumers by the consistent application of the SPAR Brand values of freshness, choice, value, and service and proactively driving innovation in our retail proposition.

The top SPAR countries continue to be modern and relevant through opening new stores and redeveloping existing stores; introducing new products and services; and driving value through building comprehensive ranges of SPAR Branded product from standard to premium and including Fairtrade, free-from and organic products. The strategic importance of offering our customers an extensive choice of SPAR Brands, which combine quality, trust and value has never been so important.

Increasingly, SPAR Partners are implementing online solutions to meet the needs of local consumers. We see the development of SPAR online as the fifth SPAR retail format. Online solutions include both home delivery and 'Click and Collect'.

Austria

SPAR Austria, the largest SPAR country, saw retail sales increase by 1.9% to €5.91 billion. This was the fifth consecutive year that SPAR was No 1 for retail growth – a remarkable achievement, which is all the more significant as 2014 marked the 60th anniversary of SPAR in Austria. During 2014, a total of 37 new SPAR and EUROSPAR stores were opened and a further 120 refurbished and modernised. All of the new stores are certified eco-friendly. October 2014 saw the opening of a 2,600m² INTERSPAR Hypermarket in Vienna and a number of other projects are advanced and will open in 2015.

There has also been significant investment in supply chain with construction commencing on the innovative and environmentally friendly Distribution Centre in Lower Austria. Developments at two other Distribution Centres designed to meet future expansion are in place. The Private Label pyramid of products now accounts for 38% of retail sales offering quality, choice and value to customers. SPAR Austria offers an extensive range of authentic local products sourced from more than 2,500 suppliers. As a responsible retailer, SPAR works closely with WWF in sourcing fish products – some 95% of which are from sustainable sources.

South Africa

SPAR South Africa with €4.25 billion retail sales and 821 stores is a leading food retailer in South Africa and is the second largest SPAR country in retail sales. 2014 saw its excellent growth path continue with a 7.8% increase in sales in local currency. The last year saw extensive

retail investment, with refurbishment undertaken in 185 stores and 19 new SPAR stores opened with the focus on improving the customer shopping experience.

The SPAR Group dispatched 210.8 million cases from its seven Distribution Centres, an increase of 3.6% on the year previous. Much of the product procurement happens at a Distribution Centre level, which in turn supports the local economy. SPAR South Africa supports small farmers to develop beyond subsistence farming by linking rural supply to local consumer demand. Value is provided through more than 1,300 SPAR Branded products sourced centrally.

Norway

In 2014, SPAR was the fastest growing supermarket chain in Norway with a sales increase of 5.8% in own currency. SPAR Norway continued with their upgrade programme and launched 120 stores with the new SPAR profile. This profile offers consumers enhanced fresh departments and a more appealing store ambience and customer service.

United Kingdom and Ireland

SPAR UK and SPAR Ireland continue to innovate and lead in the convenience sector of their respective markets. The success of their formats is underpinned by the achievement of SPAR UK in winning the Symbol Group of the year Award (2014) and the Best Independent Convenience Store (2015). SPAR Ireland won both the Convenience Store of the Year and Forecourt Store of the Year awards in 2014.



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As the principal sponsor of European Athletics, SPAR achieves massive brand exposure through extensive media coverage.

SPAR International

SPAR International provides a wide range of services to support the continued growth and development of existing and new SPAR Partners worldwide. These services range from retail design, retail operations, warehouse operations and providing SPAR buying services including the International SPAR Brand products.

SPAR International continued to contribute to the implementation of best international practice in all retail formats by innovating in retail design, layout and merchandising. The innovation is shared by working jointly with SPAR Partners on Flagship store projects covering all retail formats.

All formats are flexible and can be tailored to meet local market requirements. In China the compact premium hypermarket was developed to meet the needs of the emerging middle class. In Russia, SPAR International supported the development of SPAR Hypermarkets. SPAR International is also actively supporting SPAR Partners in rolling out online retailing.

- A flagship city SPAR Supermarket was developed in the Mammut Shopping Centre in Budapest. A team from SPAR Hungary, Aspiag and SPAR International worked together on this project.
- SPAR International supported SPAR Ireland in developing a refreshed look and feel concept for the SPAR format. This concept was launched in SPAR Millennium Walkway in Dublin and is being rolled out.

- SPAR Gran Canaria opened a SPAR Supermarket in Gran Canaria Airport, designed in conjunction with SPAR International. The store is open 365 days of the year with electronic pricing in Spanish and English.
- SPAR France was supported in launching the SPAR Express format. The stores will be predominantly in City centre locations and be the focus for attracting new independent retailers to France.

Supply Chain Modernisation

SPAR International supports the implementation of best practice in supply chain by working closely with SPAR Partners in the design of food Distribution Centres. There has been huge investment by SPAR Partners in modernising the supply chain to better meet the needs of our customers. In Belgium, our partner Colruyt, has invested €50 million in a new Distribution Centre to service SPAR retailers. SPAR Austria and South Africa are also investing in new DC's while partners in Ireland, UK and Netherlands have opened new DCs.

Growing our People

SPAR International continues to support Training and Developing People through its Human Resources Programme. In addition to the SPAR International Annual Conference and the development programme for Future Leaders, it now provides SPAR Partners with support of training audits and delivery of train-the-trainer sessions, including modules on customer service. The first sessions have been delivered to SPAR Oman and SPAR India.

Growing Our Brand

SPAR International undertake an extensive programme of initiatives to increase awareness of the SPAR Brand and the values behind the brand. These range from Sports Sponsorship to engagement in Corporate Social Responsibility in all aspects of our business. As the principal sponsor of European Athletics, SPAR sponsored the European Championships in Zurich in August 2014. This coincided with the 25th Anniversary of SPAR Switzerland who carried out a range of promotions in association with the Championships. The event was a spectacular success with more than 1,700 hours of TV coverage and a cumulative audience in excess of 700 million. Massive SPAR Brand coverage was also achieved through extensive press coverage.

All SPAR Partners are engaged in the rollout of their CSR Programmes underlining the commitment of SPAR to being a Responsible Retailer. SPAR South Africa, SPAR Austria, SPAR Norway and SPAR UK are leaders in their countries with their CSR programmes and report annually on performance. SPAR International supports SPAR Partners in implementing CSR programmes, through its Strategy2Sustain Initiative. SPAR International also works with Dutch Government agencies in securing funding for the development in South Africa of rural retail hubs linking SPAR stores to emerging farmers.

SPAR International strengthened its SPAR Brand communications in 2014 through a programme of press releases and speaker engagements. This, together with the global expansion of the brand, has underpinned our aim of becoming the brand of choice for retailers.

Outlook for 2015 and beyond

SPAR worldwide sales grew by 2% in 2014, in constant currency values. This is an excellent result in the context of the economic downturn. 2014 also saw major investment in retail selling space, which grew by a net 2.4%.

SPAR is positioned for sustained expansion in 2015. The strong performance in our traditional SPAR countries of Austria and South Africa combined with the impressive performance in Russia and China, which delivered strong growth in the last year, give confidence in the continued growth of the SPAR Business. We see evidence of a return to growth in many Western European markets, while Eastern Europe continues to offer opportunities. When this is combined with the continuing success in entering new countries such as the re-entry to India and the opening of SPAR in Indonesia, we can be confident that the momentum will be maintained in 2015 and beyond.

The future prospects for SPAR are for continued growth. By continuing to be unrelenting in our consistent application of the SPAR Brand values of freshness, choice, value, and service and proactively driving innovation in our retail proposition, we will ensure that SPAR continues to be relevant to our target consumers.

Dr. Gordon R Campbell

Managing Director
SPAR International

SPAR International Board



SPAR International Board

Chairman: Leo Crawford

Members:

Gerhard Drexel	A
Leo Crawford	IRL
Claudio Giannetti	ITA
Knut Johannson	NOR
Graham O'Connor	SA
Peter Blakemore	UK
Gordon Campbell	SPAR INT
Tobias Wasmuht	SPAR INT

The SPAR International Board met 4 times during 2014 to review the development of the worldwide organisation. The Board visited three SPAR Partners during the course of the year, taking the opportunity to see their retail and distribution developments and hear about future plans.

The March Board meeting was held in Abu Dhabi, jointly with the International SPAR Guild Executive. This Guild brings together representatives of SPAR retailers and SPAR wholesalers from several countries to debate major issues facing SPAR. The Guild structure is carried through into every SPAR country at both national and regional level and is a cornerstone of the SPAR Partnership. The presentation by SPAR Middle East outlined their development plans for SPAR and was followed by visits to the flagship stores in Abu Dhabi comprising SPAR Express, SPAR Supermarket and SPAR Hypermarket.

The Board next met in May during the 59th International SPAR Congress in Rome, an annual event which brings together owners and senior management of SPAR Partners from around the world. The Congress is the principal event in the SPAR annual calendar.

International SPAR Guild Executive

Chairman: Leo Crawford

Members:

Gerhard Drexel	A	Bjorn P. Bendiksen	NOR
Karl Feurhuber	A	Graham O'Connor	SA
Leo Crawford	IRL	Dan Maluleke	SA
John Clohisey	IRL	Peter Blakemore	UK
Claudio Giannetti	ITA	Kevin Hunt	UK
Martin Pircher	ITA	Gordon Campbell	SPAR INT
Knut Johannson	NOR	Tobias Wasmuht	SPAR INT



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International SPAR Board and Guild Executive - working in partnership across borders to develop the SPAR Brand.

Budapest was the host city for the October meeting. The International Board was welcomed by Erwin Schmuck, SPAR Hungary Managing Director, who outlined the challenges and opportunities in the market. He also hosted a visit to their latest flagship supermarket - a joint project between SPAR Hungary, Aspiag and SPAR International. This flagship provides a benchmark for further development of SPAR in Hungary.

The final meeting of 2014 was held in Amsterdam in December. At this meeting, the Board received with regret the resignation of Claudio Giannetti, Italy, who had been a Board member for many years.



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The SPAR Brand values of freshness, choice, value and service ensure that SPAR continues to be relevant to our target customers.





GROWING OUR FUTURE TOGETHER



The new International SPAR Strategy 'Growing our Future Together' has played an important role in the growth of SPAR, by placing a strong focus on growing the SPAR Brand in New Markets. This strategy also highlighted the importance of supporting all SPAR Partners to implement best practice and to build awareness of the Brand.

Growing our Future Together

There are 3 strands to the strategy and it is proposed to review 2014 under the three strands:

- Growing our Presence
- Growing our Partners
- Growing our Brand.

Growing our Presence to ensure that SPAR remains the world's leading food voluntary retail chain. We will achieve this by enhancing the productivity and profitability of SPAR Partners and providing new partners with the SPAR Brand and the most appropriate retail formats for their target customer group.

In 2014, SPAR enjoyed significant growth in China and Russia from a combination of significant organic growth and expanding into new provinces or regions. This has been achieved at a time of considerable economic uncertainty. SPAR has also enjoyed considerable success in the last year in entering new countries.

The most significant of these was the relaunch of SPAR in India. Other new countries entered include Angola, Georgia and Oman. The entry into Angola was pioneered by SPAR South Africa. The entry of SPAR into Indonesia demonstrates the relevance of the SPAR Brand in developing markets.

Growing our Partners by supporting the implementation of best practice in all areas of the SPAR business. SPAR International facilitates this through the free exchange of knowhow throughout the SPAR worldwide network. This is achieved through a programme of Conferences, Action Groups and Seminars as well as publishing manuals.

Critical to the success of SPAR in growing our Partners has been the SPAR multi-format retail strategy. This strategy has enabled SPAR to build market share. The success of operating formats to respond to all segments of the market are most evident in the case of the largest SPAR country, SPAR Austria, which enjoys a 30% market share in a very competitive market.

SPAR International supports the implementation of best practice in developing modern supply chains to provide SPAR retailers with the correct products, in the time and condition required and at the right price. The Human Resources programme provides support for developing and training staff to deliver on the SPAR values.

Growing our Brand by building global awareness of the SPAR Brand. The SPAR Brand values of freshness, choice, value and service are common to all retail formats, wherever SPAR operates. The same values apply whether in Norway or South Africa; Russia or China and indeed India or Indonesia.

In 2014, SPAR International again promoted awareness of the SPAR Brand through its Sport Sponsorship. At retail level, SPAR Private Label is playing an ever-increasing role in delivering value, creating awareness of the brand and creating a point of difference.



Building on success in China

Today, SPAR has a pan-China presence, with stores stretching from the very north in Inner Mongolia to the very south of Guangdong and from eastern Shandong to Western Sichuan. At the end of 2014, 299 SPAR stores were present in 6 provinces in China.

Since the launch of the first SPAR Hypermarkets in China in 2005, SPAR has focused expansion on Tier 2 and Tier 3 cities across China. Working in partnership with regional retailers, SPAR has introduced the SPAR multi-format retail strategy. This has been supported by a major investment by the SPAR China partners in developing and operating a modern supply chain - a network of 10 regionally owned and operated DCs across China.

SPAR has responded to the growing middle class within China with a multi-format segmentation of stores. Hypermarkets account for 70% of the sales of SPAR China. In 2014 a further 20 SPAR Hypermarkets were added to bring the total number to 95. These destination Hypermarkets, in combination with SPAR Partner owned and operated local shopping malls, have laid the foundation for the growth of SPAR.

The introduction of supermarkets segmented to meet both the needs of the value centric customer and also the premium compact hypermarkets aimed at the growing upper middle classes has enabled SPAR to broaden the appeal of the brand. In key cities with a population of over 5 million inhabitants, SPAR has in excess of 250,000m² of selling space e.g. in Dongguan and Taiyuan.

2014 saw the next wave of development with the launch of SPAR Express convenience stores. Building on SPAR International best practice in the convenience sector, SPAR China worked closely with SPAR in Shandong and Shanxi to transfer these best practices and adapt them to the market situation in China.

The resulting store concept is a scalable model ranging from 100 to 300m², which can be adapted to different store locations - ranging from transit convenience to neighbourhood top-up shopping. Initial model stores were launched in Weihai and Taiyuan.



The SPAR Express concept in China encompasses a comprehensive food to go offer, with hot food, local specialities as well as international product ranges such as Hot Pizza and Coffee. The core category structure and product ranging has been developed to provide a one-stop solution to meet the customer missions. SPAR opened the first 24-hour retail outlet in Weihai, satisfying existing but previously untapped demand.

Expansion of SPAR Express has been extremely rapid with an outlet a week opened in the second half of 2014. SPAR Express will expand in numbers as the results of the first wave of expansion are highly promising and significant opportunities exist to rollout the format to leading cities of China.

Online retail is a significant growth channel for SPAR in China, reflecting the importance of online retail in general. SPAR Guangdong was an early mover in providing an online shopping service when, in 2011, management launched a comprehensive online shopping service providing delivery and a click and collect service from designated hypermarkets.

In 2014, online shopping was also introduced in Shanxi in a strategic partnership with YiHaoDian (YHD) the leading Chinese online grocery retailer. The partnership integrates YHD's marketing and selling platform with SPAR's extensive logistic and store network.

This partnership of online to offline (O2O) co-operation between traditional and online retailer was ground breaking in the retail industry in China. In Beijing, SPAR has commenced co-operation with JD.com, one of China's leading online market places, utilising the SPAR store network as 'Click and Collect' pick-up points for online orders.

SPAR China is also developing tailored digital marketing campaigns, which target promotions to consumer groups through the analysis of shopping behaviour of millions of SPAR loyalty card holders. Tailored promotions combined with mobile loyalty campaigns using established channels such as WeChat have under gone successful testing in 2014 and will be greatly expanded in 2015.

A significant new development in 2014 has been targeting towns of populations below 250,000 people. In partnership with SPAR Partners in Sichuan and Henan, large format destination hypermarkets have been developed to meet the needs of the predominately rural and aspiring customer base. These stores in many cases are at the forefront of modern trade retail in the towns where they are launched.

These SPAR Hypermarkets, with a sales area of more than 5,000m², provide an international shopping experience for this customer group. The core proposition

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After another year of strong growth, SPAR China is approaching 1 million square metres of retail selling area.



of the store is to provide excellence in fresh. The centre of the store comprises a large range of food and non-food and important lifestyle categories such as health & beauty which are presented to appeal to the aspirations and demands of our customers.

Significant investments in supply chain and logistic improvement have been undertaken in 2014 by all SPAR regions. SPAR Sichuan remodelled and re-launched their DC utilising consultancy and project management from SPAR International and SPAR China. The implementation of a new WMS system combined with improved processes has led to significant improvements in the service levels to stores.

SPAR China received an award for its contribution to supply chain improvement within the retail industry by ECR China. This award was presented in recognition of the work that SPAR has done in the area of standardisation of barcoding throughout the supply chain. The presentation was made at the ECR China Conference in Guangdong Province during a hosted visit to the SPAR DC.

SPAR China has established a strong basis for future growth. Key future developments will be the expansion of the SPAR multi-format retail strategy encompassing all store formats. SPAR China regions shall also launch independent SPAR retailer stores which will be supplied via the supply chain infrastructure that has been established. SPAR will enter additional provinces of China through partnership agreements with leading regional retailers. The growth prospects for SPAR in China are strong.



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Total store numbers in Russia increased to 420 and the overall retail sales area grew to 285,000m².



Success in Russia

SPAR Russia operates SPAR Hypermarket/INTERSPAR, EUROSPAR, SPAR and SPAR Express formats. 2014 in particular has seen a growth in the hypermarket format in Tula, St Petersburg, Tomsk and Chelyabinsk.

Total store numbers increased to 420 and the overall retail sales area grew to 285,000m² in 2014. Of particular note were the impressive programmes of retail development by SPAR St Petersburg, SPAR Chelyabinsk, SPAR Kaliningrad and SPAR Irkutsk who collectively opened 72 stores in 2014.

Recent sanctions, embargoes and collapse of the global oil price have seriously affected the Russian economy, resulting in the local currency depreciating against the Euro and US dollar. As the currency depreciated, imports became more expensive and inflation rose. As a consequence SPAR Partners in Russia have had to rethink their 2015 development programmes. Retailers have also had to find substitute imports from South America, Africa, Asia and China for the sanctioned products that counted on average for 6% to 15% of store turnover.

Four new SPAR Partners were secured in 2014, including SPAR Udmurtia, SPAR Kemerovo and SPAR Orenburg. SPAR International and SPAR Russia supported partners with an extended range of SPAR Brands, promoting preferred suppliers, participating in joint buying contracts and increased knowledge sharing through national and regional conferences.

SPAR Brands are considered by our Russian partners as a major driver of customer footfall and preserving margins. The total number of SKU's available for SPAR Partners across Russia now totals 1,340; including 222 SKU's imported from SPAR International and 231 SKU's of regional fresh products developed under SPAR Russia's supervision. 2014 saw the range developed centrally and regionally in Russia expand by 316 SKU's.

New partners such as SPAR Tomsk, SPAR Bashkortostan and SPAR Kaliningrad have successfully introduced SPAR Brand ranges, and increased the Private Label share of sales. SPAR Russia's turnover of SPAR Brands grew by 85% in national currency and reached €34 million.

SPAR International and SPAR Russia hosted 4 conferences in Russia in 2014, including Marketing, Category Management & Private Label and Human Resources. The events were well attended by over 60 delegates per conference. A full range of the manuals and guidelines published by SPAR International were translated and issued to all SPAR Russia Partners in 2014. Development plans for Russia in 2015 are 67 new stores, an increase of 50,765m². Particular focus will be given to the ambitious programme of development for the Moscow Region.

Launching SPAR in New Countries

India

SPAR International renewed its partnership with Landmark Group sponsored Max Hypermarkets in 2014 which resulted in the conversion of 16 hypermarkets with 71,522m² sales surface to SPAR over six months. This is a major achievement considering the geography and diversity of India. Supermarkets and hypermarkets were converted and opened in Delhi, Hyderabad, Bangalore, Coimbatore, Chennai, Pune and Mangalore.

Working closely with our partner, the SPAR values of freshness, value, choice and service were reintroduced and embedded throughout the conversion process with particular emphasis on Freshness and Value. This was in support of the SPAR India strategy of 'Live Better, Spend Less' which has been communicated to customers.

The primary focus is now on improving profitability, training and developing management and staff to achieve and maintain higher operational standards. There is a strong focus on customer service training to differentiate from ever increasing and improving competition.

A mass market/hybrid SPAR Hypermarket format was also introduced in Ghaziabad (Uttar Pradesh) and Mangalore focusing on bulk/staples offer, competitive pricing and lower operational costs. This store offered a different range and margin mix with a strong focus on fresh. This format now enables SPAR to enter tier 2 and tier 3 markets offering a strong value and volume proposition.

To be successful in India it is important that supermarkets have a compelling proposition in terms of price and service. Most shoppers in India buy dairy products, vegetables and fruit either daily or every two to three days. The traditional trade dominate these frequent purchases, offering customers free home delivery and credit. In general, the more affluent in India also prefer traditional stores and daily markets.

SPAR differentiates itself by offering, in addition to a 'Best in Fresh' offer, general merchandise, apparel, soaps, detergents, other groceries, staples, rice and grains at below government prescribed MRP (Maximum Retail Price) for packaged goods.

The recent change in government has created a renewed optimism in India with the introduction of business friendly policies and openness to cooperation with overseas companies. Foreign Direct Investment in Food Retail, however, remains heavily restricted. With organised retail in India representing just 7% of total trade, SPAR International and SPAR India see huge growth potential in the hypermarket segment and with the introduction of a smaller supermarket format.

An important future opportunity is the development of sub-licensing to independent retailers. The sub-license opportunity and the introduction of online ordering and e-commerce to India's largest 10 cities in 2015 forms part of the growth strategy for SPAR in India. The target is to open 30 SPAR Hypermarkets by the end of 2017. The plan envisages achieving retail sales of €300 million by 2019, thereby ensuring that SPAR enjoys a strong position in the modern Indian food retail market.



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2014 was a breakthrough year for SPAR with entry into 5 new countries in Asia, Africa and Eastern Europe.

Launching SPAR in New Countries

Indonesia

In September of 2014, SPAR International and Ramayana Lestari Sentosa Tbk PT. commenced its partnership to open over 50 new SPAR Supermarkets across Indonesia by the end of 2017. Ramayana is a leading, publicly-quoted Indonesia retail group with 118 stores operating one million m² retail sales area.

The company's chain of department stores sell a wide range of products including food, clothes, accessories, bags, shoes, cosmetics and other daily needs. Stores are located in Jakarta, West Java, East Java, Central Java, Sumatera, Bali, Kalimantan, Sulawesi and Papua. To grow its food retail business, the existing supermarkets in Ramayana centres will be rebranded to SPAR. SPAR and Ramayana shall also co-operate to open new SPAR stores including stand alone stores.

The partnership with Ramayana in Indonesia marks a significant expansion of SPAR in Asia. Indonesia, after China, India and Japan, is the 4th largest food grocery market in Asia. SPAR had identified the potential of Indonesia, a country with a population of 250 million people, of which 50% are under the age of 30. The strong macro-economic conditions and a growing population provide a solid basis for future growth. Today, less than 25% of food expenditure is accounted for in modern trade retail channels; and with over 5 million consumers joining the consuming class per annum there is a strong and consistent to shift to modern retail outlets.

The SPAR Supermarkets developed for the Indonesian market draw on international best practice and learnings from SPAR in developing economies as well as the markets of southern Africa, India and China. The stores average 1,500m² and offer a full supermarket range. This includes the introduction of large fresh sections, such as instore bakery, fresh fish, hot foods to go or to eat in, combined with a special emphasis on the family offering.

The initial store locations shall be concentrated in the greater Jakarta area and then grow and develop in Java. SPAR International and Ramayana have commenced planning the development of an upgrade of the existing supply chain capabilities and the development of a new Distribution Centre to support the rollout and growth.

The retail development targets are to have 15 SPAR Supermarkets, and over 20,000m² of selling area operational at the end of 2015, growing to 50 SPAR Supermarkets by the end of 2017. With the successful opening of 3 stores in March 2015 and the very positive response of customers, there is great confidence that the objectives will be quickly surpassed.

Georgia

SPAR International and Georgian food retail company JSC Foodmart opened 3 convenience stores on one day on 10th September 2014. The launch of SPAR in Georgia attracted huge interest. The stores were opened by Georgia's Deputy First Minister along with the Dutch Ambassador. A high level of national and international media was generated including national TV, which created interest from neighbouring countries in the SPAR Brand.

Based on the core values of SPAR, the stores have increased sales by 45%, through providing a stronger offer for customers including a much broader Fruit & Vegetable offering; SPAR International Brands; increased and refined FMCG ranges; Food to Go; Georgian Bakery; Baby Food Ranges and a limited range of complimentary non-foods.

SPAR Georgia ended 2014 with 6 SPAR convenience stores open in Tbilisi. SPAR International will work with JSC Foodmart to convert 51 convenience stores to SPAR in the coming 24 months.

Oman

SPAR International, in partnership with regional partner Khimji Ramdas, has successfully officially opened its first two stores in Oman. SPAR International worked with SPAR Oman on layout, visual communication, category segments and merchandise planning.

The stores, located in the Omani capital Muscat, incorporate SPAR's multi-format offering and include a 700m² SPAR Supermarket as well as a 250m² SPAR Express store. The stores specialise in providing high quality fresh food combined with local product ranges, strong customer service and value.

Nine store openings are planned by the end of 2016. SPAR International is working in close partnership with SPAR Oman on the development of a modern petrol forecourt store.

Lebanon

The first two SPAR stores in Beirut have opened with SPAR Partner, Retail Works SAL. Over the last 18 months, extensive work has been carried out by Retail Works SAL to develop and tailor the optimum SPAR format solution for the market. Both stores are trading satisfactorily and plans are in place to develop a further four sites in 2015.

Angola

The first SPAR Supermarket opened successfully on the 30th June in Cabinda. Together with partner and licensor SPAR South Africa, plans are in place to open a further four stores in 2015. Logistics and transport have proven problematic with replenishments being difficult due to lead times and challenging infrastructure.

The market is dominated by Portuguese products and labelling legislation specifies all products require statutory information in Portuguese. SPAR South Africa work closely with SPAR Portugal in importing Portuguese products.



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Our SPAR Partners continue to be modern and relevant through opening new stores and redeveloping existing ones.



SPAR Multi-Format Strategy



The average size of SPAR stores worldwide has increased dramatically in the last decade. This has been driven by the SPAR multi-format strategy and in particular the growth and development of larger EUROSPAR Supermarkets/SUPERSPAR in South Africa and the continuous development of INTERSPAR and SPAR Hypermarkets. Today, over 41% of global SPAR sales are derived from these two formats, which account for 13% of store numbers.

SPAR International works with the SPAR Partners in the development and introduction of SPAR retail formats through a programme of flagship stores. In this way, SPAR Partners are able to draw on the worldwide expertise, implementing proven international formats.

In 2014, SPAR International provided support to 32 SPAR Partners in 17 countries with 72 projects by the Retail Design and Retail Operations teams. The flagship store programme enables our SPAR Partners to draw upon leading thinking to initiate fundamental change in retail propositions by working together on projects and combining local understanding and global expertise.

Urban Retail Concepts was one focus of the Flagship work with an emphasis on Transit Locations. Another area of focus was driving growth in large format stores in emerging markets. Projects in the last year included:

- Working together with SPAR Spain in relation to a SPAR Express at the main airport in the Canary Islands.
- New supermarket concept with SPAR Hungary aimed at the urban consumer.
- Development of the latest generation of convenient stores in central Dublin, with SPAR Ireland.

A key growth area has been our hypermarket format. With the launch of SPAR Hypermarkets in Russia, India and China, there are 350 SPAR and INTERSPAR Hypermarkets worldwide.

Working in collaboration with our SPAR Partners in Russia, five SPAR Hypermarkets were opened last year, with two in St Petersburg and one each in Tula, Chelyabinsk and Tomsk. These hypermarkets average 7,000m² selling area and stock more than 20,000 SKUs.

The stores provide a world class shopping experience to meet the consumer demand of these strong regional cities of Russia. The strength of the format lies in the proportionate mix of fresh foods, groceries and non-food worlds. Featuring an onsite bakery and a large deli offering hot food lines, the stores offer freshness and convenience as well as choice and value. The initial results have been very satisfactory. This offer successfully differentiates SPAR from national chains.

In 2014, a total of 25 new SPAR Hypermarkets with 120,000m² of selling space were opened in China.

A highlight of 2014 has been the opening of flagship SPAR Hypermarkets as anchor sites in neighbourhood Shopping Centres. These Shopping Centres were developed and operated by SPAR China Partners in the cities of Taiyuan, Qingdao and Dongguan.

SPAR International in co-operation with SPAR China has also been actively developing a series of premium compact hypermarket flagship stores targeted at the growing middle classes of China. These stores carry an extensive range of imported lines to meet the needs of the target customer group.

In addition to targeting the increasingly affluent and ever growing middle class, the SPAR Hypermarket format has reached wider and deeper in China with the opening of large hypermarkets in county level cities of China. These towns and cities with a population of +/- 250,000 are the front line of development for modern retail and provide a huge opportunity for SPAR China.

Working together with our Chinese regional partners SPAR International has developed a target hypermarket format for the emerging consuming class in these often more rurally located towns. The focus is on creating a strong fresh market and providing a specialist shopping experience in key non-food categories. This revitalised format has been highly successful in Sichuan and Henan and shall be rolled out at speed in 2015.

During 2014, SPAR International provided comprehensive support and design solutions to SPAR Gran Canaria, assisting in winning a successful tender for the Las Palmas Airport Store on the island of Gran Canaria. The SPAR Express layout reflects key customer missions of 'Enjoy Now' and 'Take Home' and the overall design was delivered in an attractive, modern, international style to reflect the positioning within the international airport that caters for over 10 million visitors annually.

The store has been designed to cater for the needs of various airport customers, including travellers, 'meeters and greeters' and airport staff. It is run by eight employees with good language skills who are able to assist customers from various countries.

Prices and product labels are provided in both Spanish and English. The store's layout is clean and modern, equipped with state-of-the-art energy saving technology, electronic shelf labels, digital translators which customers can use to translate product information into their language of choice. LED illumination is used throughout the store.



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In 2014, SPAR International provided support to 32 SPAR Partners in 17 countries with 72 projects by the Retail Design and Retail Operations teams.

This modern convenience store shares many parallels and synergies with our new global flagship convenience store located in Millennium Walkway, Dublin. The store was previously remodelled as a flagship in 2005 and 10 years later again features the latest thinking and design for SPAR convenience stores internationally.

The redesign strengthens SPAR's offering, by combining traditional convenience retailing with excellence in food service and other essential daily services. The store features 50% of the space dedicated to an extensive food to go and home meal replacement offering, a sandwich bar, hot deli, salad bar, coffee bar and café style seating. The 315m² store located in the heart of Dublin strongly caters to the complex lifestyles of the urban consumer.

In Hungary, SPAR Hungary, ASPIAG and SPAR International were able to combine skills to create a new benchmark and flagship store in the city centre of Budapest, aimed at the Urban Modern consumer.

The 1,800m² store located in the Mammut Shopping centre of Budapest has been designed and developed with a series of key customer missions in mind. A convenience section 'SPAR to Go' is combined with a strong instore bakery at the start of the shopping experience. The fresh food has been laid out like a fresh market with an emphasis on convenience, offering a choice of serve or pre-packed self-serve in all categories.

The focus on health and nutrition is to be found throughout the store which includes a wellness section, linking to a revitalised health and beauty department. The results of the store have been significantly ahead of budget, recording like for like growth of +30% since remodelling.

SPAR International has commenced a number of strategic projects with SPAR Partners for the development and revitalisation of smaller format stores and in 2015 shall launch a series of flagship stores.



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The sharing of best practice and experiences through tailored reference visits, working groups and conferences has never been more important.



Investing in a Modern Supply Chain

2014 has been a demanding and rewarding year for the supply chain teams across all SPAR Partners. The requirements on the modern retail and wholesale supply chains continue to evolve to support the ever changing requirements of the market. With the growth in the demand for increasing choice and for more fresh and chilled products, managing the supply chain becomes increasingly complex.

The SPAR International team have worked with partners to assess their specific development requirements, from the design of their first warehouse, to expanding facilities and looking at the 'end to end' efficiency of the supply chain. The team also propose performance improvement plans and supports implementation.

The sharing of best practice and experiences through tailored study tours, working groups and conferences has never been more important in ensuring SPAR supply chains remain modern and relevant to the ever changing customer demands.

The Best Practice Manuals are developed with the support of a number of Action Groups, with membership drawn from leading SPAR Partners. The principal Conference is LOGIT, the Annual Conference for Logistics and IT managers. After breaking new ground in 2013 with the first major SPAR International Conference in Russia, LOGIT returned to the Netherlands in 2014. SPAR International also organises a programme of study visits throughout the year.

Significant investment continues to be made in the SPAR logistics and supply chain operations. In our established markets, a number of partners are considering semi or fully automated facilities to increase capacity of existing warehouses, thereby extending their lifespan, improving efficiency and reducing costs or accommodating changes in the workforce in a cost effective way.

These developments are a continuation of the investment made in recent years by SPAR UK Regional Wholesaler, James Hall, in developing its new warehouse and offices; SPAR Netherlands with their new warehouse and offices at Waalwijk and SPAR Ireland in developing their National Distribution Centre.

2014 saw the opening by SPAR Retail, Belgium, of a new 48,000m² Distribution Centre in Mechelen. The state of the art facility features automated handling for Fruit & Vegetables. To celebrate the opening of the new Distribution Centre, SPAR Retail Belgium will host their international colleagues from SPAR worldwide as part of LOGIT 2015.

SPAR Austria continues to develop its supply chain. Construction has started of the new regional Distribution Centre to service the Vienna area. This is designed to meet future ergonomic requirements in relation to minimising lifting and carrying. The central automated facility in Wels is also being extended by 10,000m² and will provide a fully automated case handling operation. Investment was also undertaken at the Maria Saal DC to improve operational efficiency and capacity with an innovative pallet-picking system.



A number of the SPAR Russia partners have invested in developing their supply chain. SPAR Middle Volga, which hosted SPAR colleagues from around the world to LOGIT 2013, have developed a modern supply chain with investment in warehousing, in management systems, in material handling equipment and transport. They have also pioneered the implementation of voice picking.

Our new SPAR Russia partners are investing in new warehouse facilities to support their growing businesses:

- SPAR International has supported our partner, SPAR Udmurtia in the city of Izhevsk, in planning the development of a new 20,000m² Distribution Centre, with expansion capacity to 35,000m² at a future stage.
- SPAR Kaliningrad has commenced construction of a new 8,400m² DC to handle the increasing volumes and extended assortment to support their business growth.

In Norway, our partner has started the build for the first fully automated facility for Fruit and Vegetables in the SPAR world. The move toward centralised and automated fresh distribution is the next step towards achieving their goal of 100% of product supplied to retailers. SPAR Norway is also a leader in sustainable transport and currently operate more than 600 vehicles on biodiesel and a further 40 on bioethanol.

SPAR Partners in Northern Ireland and South Africa are also evaluating options in relation to new facilities and expansion to existing operations to support their business growth and improve efficiencies.

SPAR International has provided support to SPAR UAE with the development of a Master Plan for a new DC and undertaken an audit of the existing warehouse operation. SPAR Indonesia has been supported with a detailed operations audit and action plan.

SPAR International supports SPAR Partners in organising regional LOGIT Conferences. The 3rd SPAR China LOGIT Conference was held by SPAR Beijing, while Logistics Masterclasses have been organised in Russia.

SPAR China partners continue to demonstrate that working together internationally and nationally helps them to innovate and spread innovation at a fast pace. In China, all of our partners are investing in developing the supply chain in their regions. New regional facilities are being constructed in Shandong, Shanxi and Guangdong.

- SPAR International is supporting SPAR Beijing in planning a warehouse extension dedicated to fresh operations to enhance their offer.
- The most recent SPAR Partner in Sichuan is redeveloping its warehouse based on the layout prepared by SPAR International.
- SPAR Henan are starting to implement best practice operations with the support of SPAR China.

SPAR China is a member of ECR China Board and won the 2014 ECR China Supply Chain Innovation Award for their work putting a strong focus on case barcoding and pallet standardisation in cooperation with the leading FMCG suppliers PG, Unilever and Nestle.



Working collaboratively across the Supply Chain

As we start to look beyond the boundaries of our own operations, a number of partners are starting to realise the benefits of working collaboratively across the industry 'end to end' supply chain, considering the handling, efficiency and cost of product from the end of the production line to the shelf. SPAR South Africa has started to model the movements across the supply chain and have already released significant cost savings both within the logistics, but also within the purchase price.

SPAR International Buying Network

SPAR Partners worldwide continue to invest in developing retail stores, production facilities and warehouse. The partners are increasingly using the network of SPAR experienced preferred suppliers to capture the benefit of purchasing scale. Our International Preferred Suppliers are used worldwide, from Africa to the Middle East and from Russia to China with a clear focus on quality equipment and guaranteeing a good return on investment.

Growing Our People

The SPAR International programme to support Human Resources Management in SPAR countries has been further developed in the last year. At the heart of the programme is the Annual HR Conference which is closely linked with the work of the HR Action Group.

The HR programme also includes the Future Leaders Programme and a number of HR Best Practice manuals and training resources. In the last year, a number of additional supports for SPAR Partners have been added with the introduction of training audits and delivery of 'Train the Trainer' sessions.

The 2014 HR Conference was hosted in Belfast by Henderson Group, who showcased their Distribution Centre and company owned stores. The Future Leaders Programme was held in Preston, UK, where James Hall supported the programme by hosting the store merchandising activity and a visit to their DC.



SPAR Partners worldwide are placing a greater focus on Customer Service, as a key differentiator to their competitors. Taking good care of our customers is key to successfully developing the SPAR business and therefore the training of employees in this area is an important part of the overall training strategy.

SPAR International actively supports SPAR Partners to implement best practice customer service through the development of a train-the-trainer programme, which includes sessions on customer service. The first sessions have been delivered to SPAR Oman and SPAR India. Further HR support is provided by SPAR International through the sourcing of accredited external trainers.

The HR Action Group looked at different training tools for store colleagues such as game based training, which was launched by SPAR Norway last year. SPAR International continues to support the partners by launching best practice manuals. 2014 saw the launch of the HR Manual "Taking Care of Our People". The Manual focuses on best practice in Employee Management and Talent Development and includes practical case studies.

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SPAR Partners worldwide are placing a greater focus on Customer Service, as a key differentiator to their competitors.”



Building SPAR Brand Awareness



**2014 KEY STATISTICS
EUROPEAN ATHLETICS**
MEMBER FEDERATIONS: 50
COMPETING ATHLETES: 2,457
VOLUNTEERS: 2,292
SPECTATORS ONSITE: 189,532
TV VIEWERS: 815 MILLION

The sponsorship of the European Athletics is the largest brand building activity undertaken by SPAR International. SPAR has been principal sponsor of European Athletics since 1996 and has recently extended this sponsorship to 2019. This sponsorship provides an excellent fit with the SPAR values in relation to healthy lifestyles and has served to build awareness among consumers.

An important recent development has been the launch in 2014 of the SPAR Nutrition Zone, which underpins the commitment of SPAR to healthy living.

Sponsorship of European Athletics has delivered great brand awareness for SPAR throughout 2014. Brand visibility was generated through television and press coverage and also online through social media and live-streaming. The European Athletics Championships, held in Zurich, generated significant brand visibility through over 1,700 hours of coverage worldwide and was seen by in excess of 700 million viewers.

Additional coverage was gained from the other two events sponsored during 2014 and the European Athletics Indoor Championships in Prague in March 2015.

There was a great interest by local SPAR consumers in the Championships as a result of SPAR Switzerland undertaking consumer and retailer promotional events. These built interest and enthusiasm for the Championships. During the six day competition, 160,032 spectators were in the stadium with significantly more residents and tourists enjoying the walking and marathon races held in the city centre.

SPAR Switzerland's retailers were able to capitalise on the extensive brand visibility. Online activities by SPAR Switzerland created promotions resulting in consumers winning tickets to attend the competition and watch the Swiss athletes live.

Sporting events are increasingly seen by cities as an opportunity to profile tourist attractions and Zurich was no exception. There was a large public entertainment area in the city centre where SPAR Switzerland ran a series of athletics related games and promoted SPAR Brands. SPAR International featured the SPAR Nutrition Zone, which educates consumers in a fun way about the benefits of a healthy lifestyle.

The link between sport at a top level and healthy living among all age groups has been developed through the newly introduced website www.sparnutritionzone.com which complements the onsite activities of a SPAR Nutrition Zone.

The website provides a global platform to introduce information about the food groups, feature interesting food facts, view photographs of consumers visiting the SPAR Nutrition Zone stands at events and provide consumers with advice on healthy living.

The sponsorship of European Athletics' events generates additional brand awareness outside of Europe. Media coverage of these events is on a global scale, with television being supplemented by an ever-growing number of live-streaming viewers and athletics bloggers.

Photographs of the events in 2014 were recorded by 192 photographers representing newspapers, magazines and websites from around the world. Additionally, 446 members of the written press generated content about the European Athletes for an increasingly global media.

There has been an increase in the interest in athletics in the past two years, clearly seen by the number of broadcasters present, particularly at the European Athletics Championships. Live-streaming access grew rapidly in 2014, with many more athletics' fans watching the coverage on mobile devices live.

SPAR is pleased to work in partnership with European Athletics and EBU to bring the events directly to consumers. The video on demand option enables repeated viewing of the spectacular achievements of the best athletes in Europe. Social media is another important communication channel, with fans supporting their local athletes. SPAR International and SPAR Partners also use social media to share news and updates.

The European Athletics' events also provide an opportunity to showcase the SPAR International range of SPAR Branded products. At the stadium in Zurich, SPAR International gave spectators an opportunity to sample the 'Taste the World' products from its SPAR Brand range. SPAR Switzerland ensured that the media and the volunteers were able to enjoy some of their range.

SPAR International Brands - a success story



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The SPAR Brands build customer loyalty as consumers experience and appreciate the choice, quality and value offered by the range.

The SPAR International range of products plays an increasingly important role in supporting SPAR Partners in offering added value to their SPAR customers. The SPAR Brands build customer loyalty as consumers experience and appreciate the combination of choice, quality and value offered by the range. The SPAR Brands also play an important role in enabling our Partners to be price competitive, reflecting the combined purchasing power of the worldwide SPAR organisation.

Private Label continues to play a vital role for retailers even when countries are emerging from recession. The growth of Private Label is a competitive response of all retailers during the recession, when consumer expenditure is in decline. There is evidence that when consumers establish trust in a retailer's branded products, they will remain loyal to this brand when the economy recovers. Thus in many advanced economies retailer branded products command significant market share.

SPAR International has acknowledged this increasingly important role of SPAR Brands as a key part of our strategy and a major component of 'Growing our Brand'.

Retailers who invest in developing a comprehensive and innovative range of SPAR Brands build consumer confidence and enjoy increased sales. We see increasing interest by consumers in not just value and standard ranges but also premium solutions and innovative products that are not available from branded manufacturers who are increasingly looking to protect their market share with aggressive promotions.

Within SPAR we have many examples of SPAR Partners who have invested in building consumer trust through their SPAR Brand ranges. SPAR Austria has increased the penetration of their SPAR Branded products to 39% by developing a comprehensive range, which extends from budget to premium and organic. The key to this success has been the investment in new and innovative products – with 200 such products launched in 2014.

SPAR South Africa saw its SPAR Brands grow at twice the rate of the overall sales while the SPAR United Kingdom brand range was awarded the best range in the Symbol Group sector and also won more than 100 quality awards for individual products.

SPAR International Brands were launched in 1995 with the support of SPAR Partners working together in the SPAR Buying group, BIGS. In addition to playing a lead role in developing SPAR Branded products, the SPAR International Buying and Trading Department provides additional services through a consolidated warehouse in the Netherlands. Benefits can be gained through facilitating deliveries of mixed loads of SPAR International Brands from the warehouse. This service enables SPAR Partners to deepen their offer of SPAR Branded products. Late 2014 saw agreement that SPAR International will also offer national SPAR ranges in addition to the SPAR International Brands.

Strong sales of SPAR Brands have been achieved in many SPAR countries, based on offering both locally sourced SPAR Branded ranges and also SPAR International Brands. Purchases from SPAR in Ireland, the Netherlands and the United Kingdom have enjoyed strong growth. Good progress has been achieved in the ASPIAG countries of Croatia, Hungary and Slovenia.

The cooperation with SPAR Partners in Russia is an excellent example of how access to a well-developed SPAR Brand programme can support the development of SPAR in a new country by quickly winning customer approval and loyalty. Our recent new partner in Georgia gained access to our International ranges and integrated these into their daily offer. We also see important opportunities in China, India and Africa with success stories of SPAR International Brands helping to create brand loyalty and offer excellent value to consumers.

SPAR International has put an ambitious set of objectives in place for the development of SPAR International Brands. These are focused on offering a comprehensive range, building trust through the quality and value proposition and constantly reviewing and developing the range in line with market trends and consumer expectations.

In addition to the development of products, the SPAR Buying Team has a constant focus on quality assurance and on rules and regulations. A current project is the improvement of the legibility of mandatory information on packaging to comply with new EU regulations. These regulations set a new standard which will benefit SPAR consumers worldwide. The amended packaging will provide better understanding of ingredient information.

Expansion into a wider range of SPAR International food and non-food ranges, combined with local SPAR product offer, has resulted in a greater impact instore with an increased footprint. Well established ranges such as Taste the World, American, Italian and Mexican reflect the global nature of our business, harnessing local knowledge to source the best products at competitive prices.

Within SPAR International we remain strongly focused on supporting all of our global Partners. We continue to assist the development of Private Label Brands throughout the SPAR world by offering a full instore solution supported with high-end communications.

Growing Together

RUSSIA RUSSIA





We now have 9,657 stores in Western Europe, representing almost 80% of all SPAR stores worldwide.

Western Europe



SPAR Austria

SPAR celebrated the 60th Anniversary of the launch in Austria by increasing sales by 1.9% to total €5.91 billion. This is the fifth consecutive year that SPAR has grown faster than the market. Store numbers total 1,539. 774 of these stores are run by independent SPAR retailers

There has been a major investment in SPAR and EUROSPAR with the opening of 37 new stores and the refurbishment of 120 existing outlets. Every new store has been certified as environmentally friendly with ÖGNI Certification. The 'SPAR Express' co-operation with Shell and Doppler continues to perform strongly and now number 91.

Significant investment has also been made in INTERSPAR with the opening of a 2,600m² store at Vienna's main train station and the launch of the INTERSPAR pronto concept.

The strong growth of the business has resulted in major investment in logistics, with an innovative and environmentally friendly warehouse in Lower Austria, the expansion of the central warehouse at Wels and investment at the Marie Saal DC in an innovative pallet-picking system.

SPAR Brand sales grew by 6% and account for 39% of sales. There is a commitment to bio-diversity and regional products. In co-operation with WWF, some 95% of fish is sourced from sustainable sources. Private Label brand 'SPAR as before' puts a spotlight on old and forgotten varieties of fresh produce.

There is a continued commitment to CSR. In addition to the investment in both environmentally friendly stores and warehouses SPAR is committed to developing its product range in line with its CSR principles. SPAR and INTERSPAR also contributed €950,000 to charity.



SPAR Belgium

With sales of €887m, SPAR enjoyed an increase of 0.6% in retail sales and a growth in selling space of 1.4%, though store numbers are unchanged. This is a good outcome in a difficult marketplace.

SPAR is operated in Belgium by Colruyt Group Retail Partners [CGRP] and Lambrechts NV. CGRP account for 87%

of SPAR turnover and operate 2 formats - SPAR and EUROSPAR, while Lambrechts focus on serving customers with SPAR and SPAR Express formats. The latter format is responding to the convenience opportunity.

The opening of the new 50,000m² SPAR DC at Mechelen by Retail Partners represents a major investment in the continued growth of SPAR in this market.

SPAR Denmark

Dagrofa, which holds the SPAR license for Denmark, undertook a major restructuring of its retail operations. This restructuring was in response to the continuing intensification of competition in the Danish market. Under this restructuring Dagrofa have decided to consolidate all its retail operations under three retail brands.

As a result of this consolidation, all the existing SPAR formats will operate under one brand – SPAR. This development will result in the conversion of some SPAR stores to other retail brands. By the end of 2014 store numbers had declined by 8% to 198, retail selling space had declined by 7% and retail sales also declined to €869 million. The restructuring will continue in 2015.



SPAR France

The SPAR business has consolidated in the last year and serves customers through 937 independently managed SPAR outlets. Total retail sales amount to €964, a marginal decline, as a result of a major investment in price. SPAR France will celebrates its 60th year in 2015 with a series of promotions.

Highlight of the last year has been the opening of 50 new stores, which more than offset the loss of a 20 store chain due to financial difficulties. The last year also saw the introduction of SPAR Express, which is expected to enjoy rapid expansion. SPAR France is owned by Groupe Casino which provides purchasing scale and logistics support to SPAR.



SPAR Germany

With the opening of 52 SPAR Express stores, SPAR Germany enjoyed an excellent year with sales increasing 11% and store numbers now totalling 425, with an average size of 82m². A highlight was SPAR Express at Berlin Spandau winning 'Convenience Store of the Year'.

Of the new store openings, 30 were at rail stations in partnership with SSP Germany GmbH. SPAR Express will have a presence at 36 rail stations in 25 cities throughout Germany in early 2015 following the development of the 10 SPAR Express, which are in the pipeline. The balance of 22 SPAR Express stores opened were forecourt stores in partnership with Jet.



SPAR Greece

In the context of the political and financial problems experienced by the Greek economy, SPAR performed well in achieving retail sales of €525m, a 6% decline. SPAR has continued to operate in this shrinking market, which is experiencing price deflation by promoting strongly, investing in price and engaging in cost cutting.

The active promotion of SPAR Brands has been vital in attracting consumers faced by reductions in disposable income. The support of SPAR International in providing the International SPAR Brands has been critical in enabling the company to compete. With the ongoing economic, political and financial problems, the intensification of competition and price deflation consolidation is expected within the retail sector.





SPAR Ireland

2014 marked a new chapter for SPAR in Ireland with the investment by SPAR South Africa in a joint venture with BWG group, the holders of the SPAR Licence for Ireland. The new partnership will invest €100 million in BWG's wholesale and retail operations over the next five years. Work is advanced on constructing a chilled warehouse.

SPAR Ireland, with sales of €1.101 billion and the opening of 22 SPAR stores in 2014, outperformed the convenience market by 5.5% [Nielsen]. SPAR again confirmed excellent retail standards by winning industry awards for convenience and forecourt retailing. SPAR Express Junction 14, Mayfield won two of the industry's top accolades. A refresh programme for the SPAR format is now being extended nationwide.



SPAR Italy

SPAR Italy has achieved total retail sales of €3.12 billion. This represents an excellent performance in a very difficult retail environment which is experiencing food deflation. Like for like sales of the seven SPAR Italy partners showed a minor increase. In total, however, SPAR Italy experienced a 10% decline in retail sales due to the loss of 3 regional partners.

numbers and retail selling space. The latter has grown by 2.3% to 791,000m².

The largest SPAR Italy partner is Aspiag Italia, which enjoyed a growth of 2.2%. Some 80% of the Aspiag Italia turnover is accounted for by company owned stores, compared with 75% nationally.

An important step in the consolidation and strengthening of SPAR in Italy, is the planned formation of Maiora, which was formed by combining the businesses of IPA Sud, Cannillo and GAM SpA.

In response to the difficult market situation, the existing partners have increased store



SPAR Netherlands

2014 saw the rollout of a number of important new initiatives by SPAR Netherlands in an intensely competitive market, where there has been an ongoing focus on price competition.

With the opening of new SPAR City stores at Arnhem railway station and Amsterdam Science Park, SPAR Netherlands has developed modern convenience stores with a product offer tailored to high footfall locations. Another important innovation has been the opening of a SPAR 'pop up store' in Delft targeting the tourist market. SPAR is active in supporting rural communities with added services.

SPAR performed strongly to secure sales of €432m, a 1.9% decline.



SPAR Norway

SPAR enjoyed an excellent year and was the fastest growing supermarket brand in Norway, with like for like sales growth of 5.8% in own currency. Total retail sales amounted to €1.49 billion confirming the position of SPAR Norway as a leading country in the SPAR worldwide family.

A major investment has been undertaken in modernising SPAR and EUROSPAR stores. Some 120 stores have now been launched under the new SPAR profile. The total number of stores is 265 with an average size of 578m². Recognition of the continuing commitment to developing the SPAR Brand is seen in the nomination of the company for the 'Marketing Company of the Year' award.

SPAR Portugal

With sales of €67m, an increase of 1.5% and store numbers increased to 96, a net gain of four, SPAR Portugal focused on consolidation in very difficult market. SPAR celebrated its 7th Anniversary with a promotion offering a car as one of the prizes.

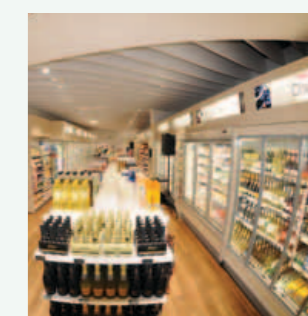
A major step was the opening of three company owned stores in Lisbon, which now total seven. These act as flagship stores to show best practice for future store openings. The SPAR DC has expanded its capacity and now offers A-brands and also supplies SPAR Portugal brands to SPAR Angola.



SPAR Spain

SPAR Spain continued to perform strongly in a difficult market achieving sales of €1.312 billion. This marginal increase was accompanied by an increase in store numbers and a growth in retail selling space of 5%. Company owned stores now account for 64% of turnover.

Through the 14 SPAR Partners, customer needs are met through a network of 1,146 SPAR, SPAR Express and EUROSPAR stores on the mainland and the islands. The average store size is 381m². SPAR enjoys an important market share on the Canary Islands, where a flagship convenience SPAR store was recently opened at the airport on Gran Canaria.



SPAR Switzerland

2014 marked the 25th anniversary of SPAR in Switzerland. This coincided with the European Athletics Championships in Zurich, which SPAR Switzerland put at the centre of its promotion programme.

Other important initiatives in the last year included opening the first SPAR Express on a motorway service station and a SPAR Supermarket with an extensive recycling station, taking PET, batteries, beverage cartons and empty plastic bottles from households for recycling. The SPAR Brand range was also extended with the introduction of lactose and gluten free products under the 'SPAR Free From' brand.

Sales amounted to €499 million an increase in local currency of 2.9%.



SPAR United Kingdom

2014 was a year of considerable success for SPAR UK. This success was evident in the number of awards achieved. SPAR won the 'Convenience Retailer of the Year' with SPAR Parkfoot – a new format Petrol forecourt, while SPAR UK regained the prestigious title of 'Symbol Group of the Year'. Another success was SPAR winning the overall 'Quality Food Awards Wholesaler of the Year' trophy.

The success enjoyed by SPAR is supported by its 'Growing Together' strategy. This focuses on four pillars – store formats, SPAR Brand products, selling plan and buying strategy. The store formats strategy focused on five customer segments. Modern relevant store formats are proving successful in attracting new retailers.

Retail sales amounted to €3.19 billion, an increase of 6% on the previous year, with 'like for like' sales reported to have grown by 2% in a very competitive market.

SPAR Brand products have achieved more than 100 awards in 2014. The buying strategy is focused on a category management approach and builds on strong supplier relationships, consolidation at each Regional DC and good compliance by retailers.





Eastern & Central Europe

We now have 1,184 stores in Eastern & Central Europe, which account for 10% of store numbers.



SPAR Croatia

SPAR strengthened its position on the retail market by almost doubling store numbers and increasing sales by 8.6% to €318 million. Sales area grew by 17% following the acquisition of the 20 store Dinova-Diona chain. SPAR operates 17 INTERSPAR Hypermarkets and 33 SPAR Supermarkets.

Even though 2014 was the sixth year of recession for the Croatian economy, SPAR continues its retail investment programme. By the end of the year, SPAR operated 25 stores in Zagreb, which positions SPAR as the second largest retailer in the city. SPAR has also established its presence in Split, the major tourist city. Croatia became the 28th member state of the EU.



SPAR Georgia

SPAR launched in Georgia with the opening of 3 SPAR Supermarkets in the capital city, Tbilisi on 10th September 2014. All the stores are in the city centre and range in size from 160m² - 230m². Following conversion to SPAR, stores showed an increase of 40%.

The SPAR Partner is Foodmart, an existing successful food retailer, which sees opportunities to grow with SPAR. The SPAR stores offer fresh produce and traditional Georgian bakery products and SPAR Brand products. By year end, the number of stores had increased to 6.



SPAR Hungary

2014 saw retail sales increase to €1.54 billion. This represented an increase of 4.9% in local currency by SPAR Hungary. This excellent performance was achieved as a result of a major programme of retail investment, with the addition of 19 stores; 6 company owned stores and 13 SPAR stores owned by independent retailers.

Major retail projects included two INTERSPAR Hypermarket projects – the opening of a new store and the modernisation of an existing store. A major transformation project was undertaken on the SPAR Supermarket in the Mammut Shopping Centre, which also involved design support from SPAR Austria and SPAR International. The long-term development of SPAR is threatened by recent government legislation.

SPAR Poland

SPAR enjoyed strong growth with sales increasing by 17% to €154 million and store numbers grew by a net 46 to 186. The total sales area now totals 48,229m², an increase of 23%. In the last quarter of 2014, 20 stores were opened, with a focus on strengthening the position in the western part of the country.

SPAR Poland serves 2.75 million customers each month through 3 SPAR Formats – EUROSPAR, SPAR and SPAR Express. An important highlight was the opening in August of the fourth EUROSPAR with 1,134m² retail selling space. SPAR continues to be active in sports sponsorship – including Marathons, Paralympics, Speedway, Golf and Table Tennis.



SPAR Russia

With a strong performance in sales area, store numbers and sales growth, SPAR enjoyed an increase in turnover of 33% in local currency. Sales amounted to €1.44 billion, an increase of 8%, due to the devaluation experienced by the Rouble. In the context of the economic and political problems experienced in the latter half of the year, this is an excellent result.

supermarkets by SPAR Partners in Tomsk, Chelyabinsk, Tula and St Petersburg. The recruitment of four New Partners has strengthened the SPAR network. Store numbers now amount to 420, an increase of 57, of which some 75% are company owned.

SPAR Middle Volga, the leading SPAR Partner operating a total of 159 stores, accounts for 33% of the total SPAR turnover. SPAR Tula, the second largest partner, operates 64 stores including 2 SPAR Hypermarkets.

Retail selling space grew by 38% as a result of major investment in hypermarkets and



SPAR Slovenia

With a marginal increase in sales to €730m, SPAR performed strongly in an intensely competitive market. Store numbers increased by 2 to now total 92 - 13 INTERSPAR Hypermarkets and 79 SPAR Supermarkets. Retail investment in 2014 focused on opening a new format SPAR Supermarket.

The 'SPAR Plus' Loyalty card continues to play an important part in the overall sales strategy, with a programme of promotions. The SPAR central bakery won 10 golden awards for its range of breads. The active CSR programme supports charitable causes in Slovenia, but in the last year provided relief support for adjoining Balkan countries following flooding. SPAR sponsors the national Basketball team.



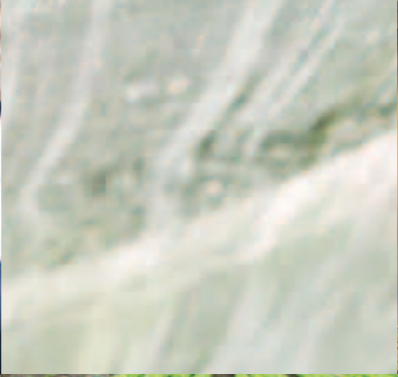
SPAR Ukraine

The SPAR business has undergone dramatic change in the last year. SPAR Lugansk and SPAR Kharkov continue to operate SPAR notwithstanding the growing political crisis. The outbreak of violence has had a devastating effect on SPAR business in Lugansk, but SPAR continues at a reduced

scale. SPAR continues to operate in Kharkov – which has not been directly affected by the violence.

Early 2014 saw the loss of SPAR in Kiev and Dnipropetrovsk, with the decision of SPAR Centre to exit the retail business and to concentrate on their Agricultural enterprises. The future of SPAR in Ukraine is uncertain.





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SPAR is committed to working with local farmers and producers to provide sustainable solutions for customers.



Africa

We now have 952 stores in Africa, with increased store numbers in South Africa and our first stores in Angola and Malawi.



SPAR South Africa

Despite difficult trading conditions, SPAR enjoyed retail sales growth of 7.8%. Store numbers grew to 821 and retail selling space increased by 1%. Major investment was undertaken in retail development with 147 stores upgraded. The business retains its position as the second largest SPAR country in terms of sales at €4.255 billion and sales area of to 934,000m².

SPAR has been certified for a second year in a row as one of the Top Employers in South Africa. A major highlight for SPAR South Africa was the acquisition of 80% of BWG Group which operates the SPAR Brand in Ireland and South West England.

2014 saw the SPAR Group increase the volume of cases handled by the seven Distribution Centres by 3.6% to 210 million cases. The programme of investment in supply chain will be maintained to provide SPAR retailers with world class replenishment.

SPAR Brands, which grew by 14.4%, play an increasingly important role in supporting SPAR retailers. SPAR Group will continue to expand the presence of SPAR Brands with launching innovative product ranges.

SPAR has implemented a comprehensive CSR programme and is committed to sustainability. It actively supports the development of small farmers in South Africa. It also participates in the Carbon Disclosure Project.



SPAR Botswana

SPAR enjoyed an outstanding year with sales growing by 11% to €118 million. SPAR now has 28 stores in Botswana. Last year saw the opening of two stores, both launched with TOPS liquor stores. SPAR Botswana also completed several major revamps. SPAR Botswana celebrated 30 years with consumer promotions giving away 30 cars.

SPAR Namibia

SPAR Namibia recorded a year on year growth of 14%. Store numbers grew to 28, with two retail formats SPAR Supermarkets and SUPERSPAR. Total sales for 2014 amounted to €132 million. Namibia has growing middle income population and AT Kearney rated Namibia as the third best retail investment destination in Africa.



SPAR Angola

The first store opened with a sales area of 1,200m². The store has full supermarkets offer including a wide assortment of SPAR Brands – some from SPAR Portugal.

SPAR Malawi

2014 saw the relaunch of SPAR in Malawi, with a SPAR Supermarket of 1,650m². The store has performed well and plans are advance to rollout new stores.

SPAR Mauritius

Mauritius achieved retail sales of €21m, an increase of 7%, but store numbers remained unchanged at 6. This is a good performance, in a tough competitive retail environment.

SPAR Mozambique

SPAR Mozambique recorded retail sales growth of 38% in local currency. Store numbers remained constant at 3. Two SPAR formats have been developed - SPAR Supermarkets of which there are 2 and 1 SUPERSPAR, which together achieved retail sales of €40 million.

SPAR Nigeria

With the opening of SPAR Port Harcourt, SPAR Nigeria saw retail sales increase by more than a third to €64 million. The SPAR Supermarket in Port Harcourt brings to 6 the number of stores. This store has a sales area of 3,400m² and combines food and non-food. There are ambitious plans in place for the rollout of SPAR in suitable locations.



SPAR Zambia

SPAR Zambia saw sales grow in the last year by 32% to €79 million. This excellent performance was due to strong organic growth and the increase in stores by 2 to 15 and selling space grew in the last year by 18%. An important new development has been the introduction of the 'Tops at SPAR' liquor store by SPAR Zambia.

SPAR Zimbabwe

The political and economic situation impacts on SPAR Zimbabwe. Retail sales amounted to €156 million, an increase of 5%. Store numbers grew by 1 to now total 43. SPAR Zimbabwe have continued to identify with the local community through their CSR programme. In early 2014, villagers displaced due to a flooded dam, received a donation of four tonnes of food.





Asia Pacific & Middle East

We now have 521 stores in Asia Pacific & Middle East, with increased store numbers in China and the relaunch of SPAR in India.



SPAR China

2014 saw the SPAR China Partners increase retail sales by more than 25% to €1.786 billion. This growth was driven by the opening of 69 new stores, with a total selling space of 175,000m². With a total sales area of 956,000m² SPAR China ranks No. 2 in SPAR.

SPAR operates a multi-format strategy in China, having entered the market with the SPAR Hypermarket and then introduced the SPAR Supermarket. Today SPAR operates all 4 SPAR Formats with the successful launch of SPAR Express by 3 partners in 2014.

SPAR formats have been adapted to local needs, eg. the SPAR Premium Hypermarket targeting higher income populations with a different assortment including an extensive range of imported products. The premium hypermarket was extended to Beijing in the last year.

SPAR China also offers online retailing, with 4 SPAR China partners offering this service. Other important developments are by new partner, SPAR Sichuan, which opened a total of 25,000m² retail selling space and also expanded its warehouse operation with the support of SPAR International.



SPAR Australia

SPAR placed a major focus on 'Driving Sales Momentum' with promotions and regional meetings and a SPAR Loyalty bonus. As a result of these initiatives retail sales grew to €179 million. A programme of initiatives to support sales growth was also implemented.

This success was achieved in a very competitive market with a price war between Coles and Woolworth and the growth of Costco and Aldi. There was a continuation of a programme of store refurbishment and the holding of regular workshops with retailers and their staff to support the implementation of best retail practice.



SPAR India

August 2014 saw the signing of a partnership with Landmark which will result in the opening of 30 SPAR Hypermarkets. The first stage was the conversion to SPAR from the Auchan fascia of 16 stores by early 2015.

With a total selling space of 71,500m² at the end of 2014, SPAR is well positioned to exceed its goal of achieving sales of €300 million by 2019. Supermarkets and hypermarkets were converted and opened in Delhi, Hyderabad, Bangalore, Coimbatore, Chennai, Pune and Mangalore.



SPAR Japan

SPAR Japan achieved retail sales of €48 million from 74 stores. SPAR is concentrated on the convenience sector with an average store size of 110m². The continuing lack of growth in the Japanese economy is impacting negatively on all retailers.



SPAR United Arab Emirates

The year ended with retail sales of €55 million from 4 stores. Retail development has been slower than expected. In 2014 there was considerable focus on organisational changes by our partner.

SPAR Oman

Khimji Ramdas has opened its first SPAR stores in the Omani capital Muscat - a 700m² SPAR Supermarket as well as a 250m² SPAR Express store.

SPAR Lebanon

June saw the opening of the second express store in the residential area of Al Falah. At the end of 2014 the four stores traded with a total retail footprint of 6,200m². There is a strong pipeline of stores to open during 2015.

The first SPAR Express opened late December 2014, and the second store in March 2015 - a full range 2,400m² supermarket. Both stores are located in Beirut.





Statistics 2014

SPAR worldwide sales grew by 2% in 2014, in constant currency values. This is an excellent result in the context of the economic downturn.

Country	Retail Sales 000's	Retail Store Numbers	Retail Sales Area (m ²)	Average Store Size (m ²)	Year joined SPAR
Austria	5,910,000	1,539	1,089,677	708	1954
South Africa	4,255,000	821	933,886	1,137	1963
United Kingdom	3,193,224	2,352	350,240	149	1956
Italy	3,119,453	1,385	790,969	571	1959
China	1,786,000	299	955,833	3,197	2004
Hungary	1,539,674	419	404,691	966	1992
Norway	1,493,971	265	153,194	578	1984
Russia	1,443,675	420	285,199	679	2000
Spain	1,312,472	1,146	436,538	381	1959
Ireland	1,101,190	424	112,742	266	1963
France	964,328	937	245,166	262	1955
Belgium	887,266	281	141,799	505	1947
Denmark	868,835	198	141,821	716	1954
Slovenia	729,574	92	146,873	1,596	1992
Greece	525,601	184	141,107	767	1969
Switzerland	498,919	181	74,228	410	1989
Netherlands	431,618	244	98,506	404	1932
Croatia	317,936	50	87,384	1,748	2004
Germany	310,000	425	34,799	82	1953
Australia	178,801	128	43,250	338	1994
Zimbabwe	156,467	43	30,381	707	1969
Poland	153,968	186	48,229	259	1995
Namibia	132,053	28	30,517	1,090	2004
Botswana	117,548	28	28,793	1,028	2004
Zambia	79,106	15	26,974	1,798	2003
Portugal	66,875	96	31,581	329	2006
Nigeria	63,975	6	7,826	1,304	2009
United Arab Emirates	54,488	4	6,200	1,550	2011
Japan	48,402	74	8,173	110	1997
Mozambique	40,271	3	6,451	2,150	2012
India	35,630	16	71,522	4,470	2014
Mauritius	20,952	6	5,700	950	2000
Ukraine	12,200	11	7,700	700	2001
Angola	6,558	1	1,200	1,200	2014
Georgia	4,584	6	1,032	172	2014
Malawi	1,460	1	1,650	1,650	2014

Total **31,862,074** **12,314** **6,981,831** **572**

Oman, Lebanon, Qatar and Indonesia will report on retail results in 2015.

SPAR is no longer in the Czech Republic following the sale of the business in the course of 2014.
Average currency rates to Euro used in calculations.

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A GLOBAL BUSINESS
OPERATING IN EXCESS OF
12,000 STORES
IN **40** ACROSS 4
CONTINENTS;
COUNTRIES WITH
TOTAL RETAIL SALES OF **32** BILLION EUROS