

SUCCESSFULLY ENTERING THE ITALIAN RETAIL MARKET

*AN UNDERSTANDING OF PRICE MARGINS AND VALUE CHAIN
MECHANICS*



September 2010

A GUIDE TO ENTERING THE EUROPEAN RETAIL MARKET - AN UNDERSTANDING OF PRICE MARGIN AND VALUE CHAIN MECHANICS

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1 Preface

The purpose of this guide is to enable Irish suppliers to better understand the Italian retail market and have all the necessary information available in order to approach Italian top retailers and their buying teams having detailed understanding on how price margins are formulated.

The guide will also provide practical and insightful information to the Irish companies on dynamics of the Italian food retail market.

Italy is an important market for food and drink in Europe being the fourth largest market in terms of grocery value. As a result Italy should be taken into serious consideration as a potential new export market for Irish companies. The Italian retail market is very fragmented with many more players in comparison to other European markets. However, this should be seen as an opportunity to split the risk rather than as a barrier to entry. The basic rules of entry are the same across all the retail chains present in the Italian market.

Having all the information about the retail market value chain to hand as well as some useful tips on how to approach it are key elements for a successful market entry.

This report will provide detailed information on market requirements and the know-how with regards to the basic tools required for a successful export business in Italian retail.

2 Methodology

When a company initially takes the decision to export to Italy it is fundamental that before actually doing so that they have a real understanding of whether there is actually potential business for their product in the market.

The first phase must be dedicated to research and analysis. Having a clear understanding of the value chain is also important at this stage as it is helpful during the analysis phase to evaluate the potentiality of the market.

When all the relative information has been collated it is then possible to move on to the second phase and prepare for the actual market entry.

In this report below we follow the above process from beginning to end, providing first of all a list of research sources which can provide vital information on the value chain and thereby enabling the exporter to examine the requirements needed in order to successfully enter the Italian market.

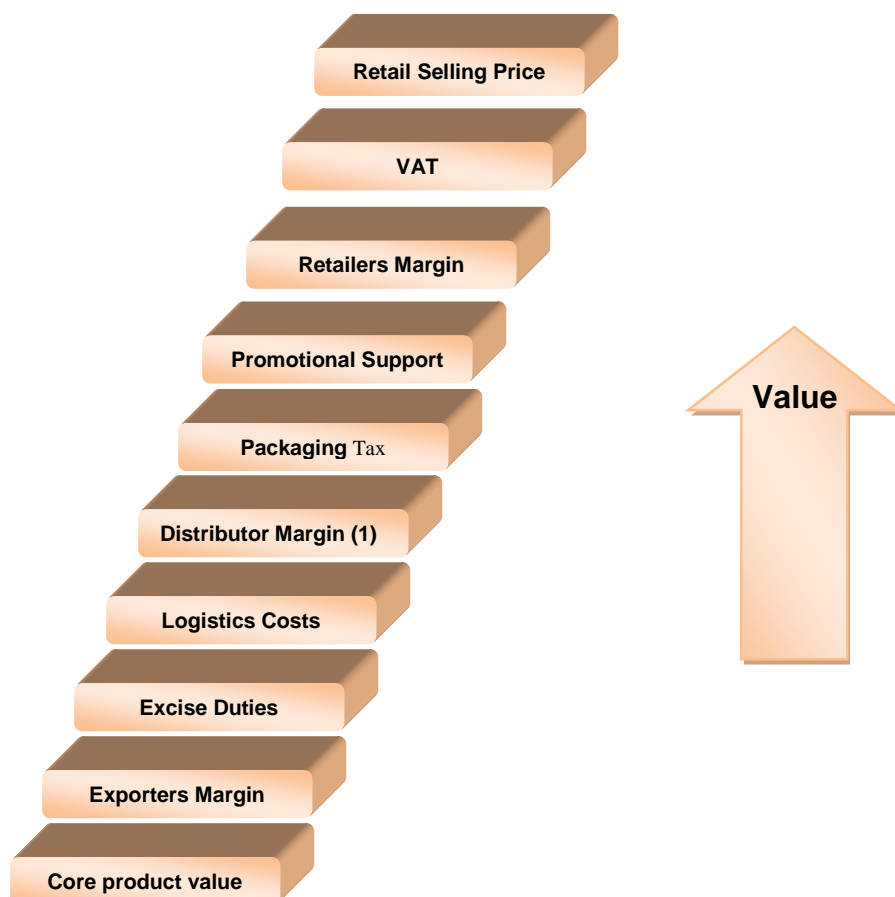
The value chain is followed from the manufacturer to the end-consumers.

The input for this report originates from the expertise and experience Green Seed Italy has in assisting food and drink manufacturers in establishing listings in supermarket retail.

Input is provided by the retailers themselves, through manuals, documents or other publications they provide to (potential) suppliers.

External resources are utilized in the case of specific information concerning tax regulations, packaging requirements and legal aspects. In the case of very complex detail regarding individual products, a referral is made towards the source of information, enabling the reader to gain further knowledge.

The value build-up;



¹ If applicable

3 Market Entry Decision Process

Before approaching a new retail market, especially one as large as the Italian market, it is imperative to understand if there is enough space available for the company product range.

First of all the producer must:

- a) Have detailed knowledge of the current offer in the relative product category within the Italian retail market where it plans to enter (category characteristics, number of competitive brands, number of Sku's per brand, presence of private label, retail selling prices etc).
- b) Gather market data regarding the category in order to understand size, sales trends, market share of main competitors, average sales by weighted distribution, average number of units sold per week per store, etc.
- c) Know in advance whether or not their product range would be well received by Italian consumers.



Having all the above information together with information on the value chain allows the company to evaluate the potentiality of the export business and the level of investment required for launching the product range.

3.1 Research

Research is of extreme importance during the decision process. In order to understand the market fully and completely, market information data is required. Once all the market information has been collated and the decision to enter the market has been taken it is nevertheless useful to undertake consumer research so as to ensure that product concepts are in line with consumer needs and requirements.

3.1.1 Market Research

Market research is able to provide the answers to the following questions:

- How can the market/category be defined? (i.e. size, volumes, value, players etc).
- What is presently happening in the market/category? (i.e. trend, innovations etc).

Market data and research enables producers to understand the market/category better and aid the decision making process.

An analysis can be conducted to establish product potential (total per market and per retailer), market leaders and followers, strong and weak competitors, distribution levels etc. In order to break into a specific category, data analysis is crucial when preparing a business offer to a retailer. Once listed, a periodic purchase of scanning data is recommended so as to follow performance and category developments.

It should be noted that in Italy market data split by individual retailer is not available and product categories are often split differently from other international markets. For the latter reason we would suggest that producers use the Italian agency of the data provider selected instead of the data provider's office in their own domestic market in order to ensure that the data provided is accurately split with regards to the Italian market. This data is extremely useful when meeting with Italian buyers and therefore it is important that the data is split as according to the Italian norm.

The price of top line scanning data starts at a rate of 2,500.00 - 3,000.00 Euros and clearly will increase the more in-depth the data required is.

In Italy there are two main data providers:

- Nielsen
- SymphonyIRI Group – Iri Infoscan

Market data should also be combined with an in-depth Store Check analysis which should be conducted in all of the top five retailers and in at least three strategic cities (for example Milan, Florence and Bologna).

The above combined analysis will furnish important information on competitors and pricing.

Recently, Iri Infoscan has started to sell top line data of some important retailer (i.e. Carrefour Hyper) but the relative costs are very high (25/30k Euro per product category). Therefore, only large-scale companies can afford this new service.

3.1.2 Consumer Research

When preparing to enter the Italian retail market with a non-commodity proposition, investments in qualitative and quantitative consumer research are helpful in ensuring that product concepts are in line with consumer requirements. Consumer preferences differ per geographic area; to be able to understand this and to determine the level of difference from domestic market preferences, these, sometimes slight differences, will have to be recognized and dealt with. Although research used to be an activity carried out only by

branded suppliers nowadays also own label propositions are researched, enabling a successful pitch for business.

When conducted in a proper manner, a second benefit is that the research findings will contribute to convincing a retailer that his customers are willing to buy the specific product proposition. Thirdly, it shows long term commitment to potential retail partners and confirms a strategic approach.

In many situations qualitative research will be sufficient by itself before seeking commitment from potential retail partners. In certain occasions, as a second phase, the more expensive quantitative research (e.g. taste panel) is recommended, following a first impression check with retailers.

3.1.3 Qualitative Research

Qualitative research is used to generate ideas.

It involves small groups of people, and requires in-depth interaction between the researcher and the participants.



Focus Group Discussions

This is a common technique for exploring ideas and making initial evaluations. A relatively small group of people (6-12) is gathered together and given a topic to discuss. The advantage of this group interaction is that people can build on one another's ideas and comments. Three focus groups are the minimal requirement and are normally run in three different representative cities (for example Milan, Bologna and Rome).

In these groups, amongst other topics, the competitive field, usages and attitudes, price levels and usp's are explored. The approximate cost of three groups of 6-8 respondents can vary between 15,000.00 and 20,000.00 Euros.

In-Home Visits

People who use the product are interviewed at home. They are asked questions about what they use the product for, the actual product, the desired end result, how they judge the end result and what, if any, improvements they would like to see. Being in the home provides an opportunity to understand the actual conditions under which the product is used and what, if any, the constraints are from the user's point of view.

In-Context Visits

People who use the product are interviewed while they are actually using the product. This type of research provides valuable insight into the details of how people use the product, how they judge the end result and their suggestions on improving the product.

In-Store Interviews

One-on-one interviews with customers while they shop allow for a better understanding of how the actual purchase decisions are made at the point of sales.

3.1.4 Quantitative Research

Quantitative research is used to generate quantitative habits data or to evaluate new ideas or prototypes. It involves larger groups of people and statistical data analysis.

Habits and Practices

This requires large-scale studies. Respondents are asked to keep written records of the details of product usage for an extended period of time by making hand-written notes in a product diary or by completing an electronic diary.

Blind Tests

Blind tests are product usage tests in which a new or upgraded product is given to participants without revealing the actual product brand. The benchmark is either the current product or the key competitor's product.

Concept Aided Usage Test/Concept & Use Test

People are first presented with the product or brand's concept (which will later be the basis for advertising) and then given the product for usage. This helps to understand if the product delivers as promised and whether the whole consumer proposition (including packaging, artworks and pricing) is appealing.

Quality Monitoring

This testing is conducted with the aim of evaluating whether a product as purchased meets both consumer requirements and product design criteria.

Qualitative and quantitative consumer research in order to prepare for an introduction is often looked at as a high and risky upfront investment with no guarantee on return. Research is not mandatory but it is nevertheless highly recommended in all forms; it will prevent expensive mismatches and increase the probability of success.

Own Labels:

In the case of own label propositions, certain retailers will carry out panel research themselves to ensure customer acceptance. This takes place after negotiating and accepting all commercials and trading terms and conditions.

4 Value Chain Mechanics

In this chapter, all value chain layers are explained and cost indications are stated. Certain mechanics are specific to the Italian market whilst others will be familiar to readers as they apply to the European Union in general or have been initiated by international retail trade organizations.

4.1 Taxes and Duties

4.1.1 VAT

In Italy, Value Added Tax (known as *IVA* in Italy) applies to all products and services sold in the modern retail channel.

A total of three different tariffs apply as follows:

- 4% is the lowered tariff and is charged on basic food items.
- 10% is the special tariff for food and is charged on a large number of food items.
- 20% is the standard tariff and is charged on all non-food items, alcoholic beverages and services.

Below is a list of food products and the VAT tariff they are subject to:

- Food products subject to 4% VAT:
 - Fresh Milk
 - Butter
 - Cheese and dairy products
 - Fresh, chilled, frozen & deep-frozen vegetables
 - Pulses – grains, dried, husked/shelled including hulled or split
 - Fresh, dried fruit or conserved with short shelf-life, cooked, frozen or deep-frozen without added sugars
 - Wheat, maize, rye, oats and rice
 - Flours and semolina
 - Basil, rosemary and sage
 - Olive oil
 - Animal or vegetable margarine
 - Pasta, crackers, toasted bread slices, bread, biscuit and other standard bakery products
 - Peeled tomatoes and tomato purée.
 - Olives
- Food products subject to 10% VAT:
 - Meat
 - Offal

- Salami
 - Fresh, chilled, frozen or deep-frozen fish
 - Eggs
 - Honey
 - Ground or powdered vegetables and pulses
 - Spices
 - Preserved meat
 - Sugar
 - Cacao
 - Vinegar
 - Mineral water
 - Beer
 - Sauces: prepared condiments, preparations for soups, vegetable soups and broths
 - Prepared and conserved fruit with added sugar
 - Non-standard bakery products, cakes and biscuits including products with added cacao in any proportion
 - Cereal-based products – puffed or toasted (including puffed rice, cornflakes etc
 - Yoghurt & fermented milk
- Food products subject to 20% VAT:
 - Wine and sparkling wines
 - Soft Drink and Juices
 - All products not listed above

Where new products are to be launched which do not fit into any of the categories stated above, a request must be forwarded to the *Agenzia delle Entrate* (Italian Revenue Agency).

The request must be accompanied by a concise and detailed description of the product characteristics, so as to present a clear profile and ensure the product is allocated the correct VAT tariff.

The procedure relating to this request is both lengthy and costly and must be entrusted to an agency specialised in this sector.

How VAT is applied:

All layers in the value chain that add value have to specify VAT separately on the invoice and will have to keep a VAT administration. Excepting the end user (i.e. the retailer's customers) all layers must pay and receive VAT. The balance of this will have to be paid to (or will be received from) the Italian tax authorities.

For exporters to Italy the following applies;

In the case of exporting food from an EU country to Italy, adding value, therefore VAT, will begin with the first chain operator in Italy.

Invoices to this first chain operator do not include VAT.

- When supplying directly to a retailers depot, the retailer is the first chain operator and will charge VAT to the customer (end user) and look after VAT administration.
- When supplying to a 3rd party, such as a distributor, this is considered as the first layer that adds value and VAT will be charged to the next layer (i.e. the retailer) and the retailer will then charge VAT to the end user (i.e. the consumer). Both the 3rd party and the retailer will manage their own VAT administration.
- When setting up a Trading Office on the market place, it is mandatory to register with the Italian Tax Authorities and apply for an Italian VAT number. The branch will be the first operator in the value chain and is required to manage VAT administration.

In most cases, especially when starting up export to Italy, the first two bullet points above will apply. It is highly recommended that a tax specialist on VAT issues is consulted after reaching a launch agreement.

In discussing or negotiating prices with retailers or other chain operators, prices are always referred to as without VAT.

Example calculation subtracting the lower VAT tariff (4%) on a Retailer Selling Price (RSP):

RSP	Euro 2.000
VAT	Euro 0.077 –
RSP-VAT	Euro 1.923 (Euro 2.00 / 1.04)

Example calculation adding lower tariff VAT (4 %) on a Manufacturers Selling Price (RSP):

MSP	Euro 1.92
VAT	Euro 0.08 +
MSP+VAT	Euro 2.00 (Euro 1.92 x 1.04)

4.1.2 Packaging Tax

The Italian government enforces the minimization of packaging usage through charging a packaging tax on food & drink products. This tax must be paid to CONAI. CONAI - *Consorzio Nazionale Imballaggi* (National Packaging Consortium) is a private consortium of firms working towards the recovery and recycling of packaging issued for consumption on national territory, with the aim of meeting statutory targets. CONAI guarantees target achievement at the lowest economic cost of all the European consortia, working as a market subsidiary.

CONAI safeguards the environment by embracing the entire packaging lifecycle, from production to end-of-life management. To this purpose CONAI

promotes the adoption of environment-friendly packaging at source, and then co-ordinates the recovery and recycling of packaging after use. The entire packaging chain subscribes to CONAI, from producers of raw materials and packaging to distributors, dealers and users. CONAI works through six Material Consortia - steel, aluminium, paper, wood, plastic and glass - which guarantee the necessary links with local administrations for the take-back of packaging from separate collection.

The tax rate employed depends on the weight and the type of packaging materials used for a particular product. For category of packaging, the weight and type of packaging material needs to be specified at SKU-level. Based on the tariffs per kg for these packaging types, the packaging tax per SKU is calculated. Clearly less environmental friendly packaging types have higher rates per kg.

The following categories of packaging exist:

- Primary (i.e. the product pack material)
- Secondary (i.e. the material of the outer case or tray)
- Tertiary (i.e. the material of the pallet e.g. wood, shrink wrap etc)

In the case of imported products, the first chain operator in the value chain is responsible for the administration and payment of the packaging tax.

In the case of products supplied by an Italian registered company/branch, this company/branch is responsible for administration or payment. In the end, the consumer pays for the packaging tax, as this is integrated in the MSP. When calculating an offer for a retailer, packaging tax also needs to be taken into consideration.

Below is a short list featuring the packaging taxes imposed as according to category:

▪ Steel:	15.49 Euros/Ton
▪ Aluminium:	25.82 Euros/Ton
▪ Paper:	15.49 Euros/Ton
▪ Wood:	2.58 Euros/Ton
▪ Plastic:	72.30 Euros/Ton
▪ Glass:	5.16 Euros/Ton

4.1.3 Excise Duties

Within the grocery market in the European Union, excise duties apply to tobacco and alcoholic drinks. Rates however differ according to country and, in the case of alcohol and alcoholic beverages, according to the alcohol content percentage. Excise rates apply from the moment that products gain customs clearance in the destination market and clearly have an impact on the actual RSP level. Excise duties are levied by the Italian customs organization *Agenzia delle Dogane* (www.agenziadogane.it).

Specific documentation or fiscal marks are required to accompany all shipments into Italy and normally take the form of an Accompanying Administrative Document (AAD), a Simplified Accompanying Document (SAD) or an equivalent commercial invoice. This documentation allows authorities to monitor and ensure the payment of applicable duties. Proper documentation also enables shippers to recover, or in the case of duty-suspended goods, avoid certain duties when shipping internationally. Recently legislation has been approved where these documents must be sent in an electronic format. Detailed information on the excise duty regime is published by the European Commission or can be found on the HM Revenue & Customs website.

No excise duties or consumer tax are applied on soft drinks or non-alcoholic drink in Italy.

Please see point 8.2 for details on fiscal representatives (Tax Agents) in Italy specialised in excise duties relating to alcoholic beverages.

4.2 Labels and Packaging

4.2.1 Labels

EU regulations apply to labelling products in Italy, both for private label and branded products. Label requirements and regulations are initiated for food safety purposes and monitored by the *Ministero delle Politiche Agricole e Forestali* (Ministry of Agricultural, Food and Forestry Policies). For private label products, the retailer is responsible for the development, design and contents of labels and will accordingly request detailed information from manufacturers.



Retailers cooperate with dedicated design agencies for their private label designs. Cutter guides, technical drawings and measurements will have to be exchanged with these agencies first before final approval by the retailers. Suppliers are responsible for stocking labels and packaging.

The following information must be stated in Italian:

- The product name translated into Italian
- The ingredients list in order of quantity: if one of the ingredients is part of the product name it is also necessary to add the % of content in the ingredients list.

- Best before date (in Italian *TMC*): it is necessary to indicate in Italian the position where this information is to be found on the actual packaging (for example 'best before: see top of packaging')
- The best before date itself should be indicated as follows:

Best Before Date: Directions for Use		
Product conservable for	Date Indication	Example of statement
Less than 3 months	Day/Month (e.g. 10/01)	To be consumed preferably by the 10 th January (<i>Da consumarsi preferibilmente entro il 10 gennaio</i>)
Between 3 to 18 months	Month/Year (e.g. 01/11)	To be consumed preferably by the end of January 2011 (<i>Da consumarsi preferibilmente entro fine gennaio 2011</i>)
Over 18 months	Year (e.g. 2011)	To be consumed preferably by the end of 2011 (<i>Da consumarsi preferibilmente entro la fine del 2011</i>)

- Batch code Number
- Net Weight: the weight must be indicated as follows - 150 g
- Recommended temperature for storage (for chilled or frozen products)
- Guidelines on storage and usage
- Contact details of manufacturer, co-packer or retailer (i.e. name & address)
- Origin (made in)
- Alcohol percentage (if applicable)
- Gas flushed (if applicable)
- Statement of ingredients that can cause allergies or intolerance.

It is important to remember that all the above information must be included on the same visual area of the packaging.

Please note that the above list of information is generic. Clearly there are many exceptions and additional rules that apply to different products or product groups. For more specific information on product level, please visit the following website:

http://www.politicheagricole.it/SicurezzaAlimentare/10_Etichettatura_Alimenti.htm

Below is listed the most important food categories together with indications on specific labelling requirements:

Meat Labelling

Meat products have specific labelling instructions in order to guarantee information for consumers on product origin.

Under current legislation, labelling must indicate the following information:

- The animal's identification number
- Statement: '*Macellato in Italia - N° di riconoscimento CE del macello*' - 'Butchered in Italy – EU abattoir identification number'
- Statement: '*Sezionato in Italia - N° di riconoscimento CE dello stabilimento di lavorazione*' - 'Sectioned in Italy – EU meat processing identification number'
- Country where the animal was born
- Country where the animal was farmed
- Country where the animal was killed

Seafood labelling

All seafood products destined for commerce must display a specific label which must list the following information:

- Commercial species denomination
- Scientific denomination of the species (optional)
- Production method, method of capture either at sea or in inland waters, or the farm where reared
- Area where captured/farmed
- Health stamp (only on pre-packaged products)

Nutritional Information

Nutritional information is included in the product label.

Nutritional information is a declaration which is included on the labelling of food products indicating information related to energy values and the amount of protein, fat, carbohydrate, fibre, sodium, vitamins and mineral salts contained.

At a European level the inclusion of nutritional information on labelling is optional unless a statement regarding the product's nutritional value appears on the packaging or in advertising related to the product. For example, if a product is advertised as being 'low fat' a nutritional information table must be included in the labelling justifying the statement.

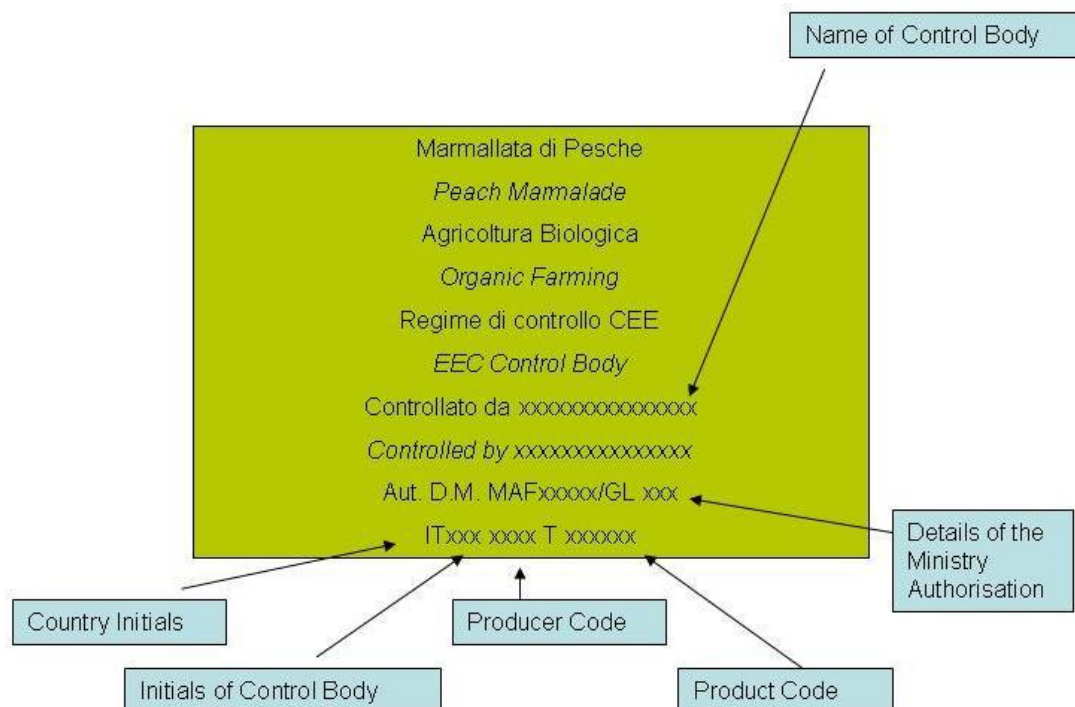
Organic Product Labelling

Organic products are required to include additional information on the labelling.

Labelling requirements follow those set out in article 5 of Regulation EEC 2092/91 which relates to Organic Farming (incorporating modifications arising by Regulations 2083/92, 1935/95, 330/99 and 1804/99).

An organic product, further to normal legislation relating to food products, must by law include the following obligatory elements within the labelling:

- The statement '*Da agricoltura biologica, regime di controllo Cee*' - 'Organic Farming, EU Control System' (this indicates that the product has been obtained in accordance with the Directive EEC 2092/91 and has been controlled by the apposite Control Bodies).
- The statement '*Controllato da....*' - '*Controlled by ...*' (insert the full name of the Control Body). The Control Body indicated must be one of those currently recognised in Italy. The total number of recognised Control Bodies changes constantly – at present there are a total of approximately ten recognised Control bodies.
- An alphanumeric code which indicates the initials of the country of production (for example 'IT' stands for Italy), the initials of the Control Body (for example 'AIB' are the initials of the *Associazione Italiana per l'Agricoltura Biologica* – the Italian Association for Organic Farming), a letter & a number which identify the producer and a letter & a number which identify the authorisation at the time of labelling.



It should however be noted that even in the presence of this alphanumeric code there is no guarantee for the consumer that the product is actually 100% organic.

In fact legislation provides for two levels of labelling:

1. Food product with at least 95% of the ingredients derived from organic farming.
2. Food product with at least 70% of the ingredients derived from organic farming.

In the first case the product can be considered as 100% organic. The 5% leeway was introduced so as to allow for the possibility of employing substances during the food transformation process which are not from agricultural origin. The accepted substances used must be included on the apposite list relating to the Regulation EEC 2092/91. Where at least 95% of the ingredients are derived from organic origin it is possible to refer to this characteristic in the Denomination of Sale of the food. For example it is possible to include a statement such as *'Biscotti da Agricoltura Biologica'* (Biscuits obtained from Organic Farming) on the labelling.

In the second case, where at least 70% of the ingredients are obtained from organic farming, the obligations above remain valid, however it is not possible to make any reference to the technique of *'Agricoltura Biologica'* (Organic Farming) in the Denomination of Sale. For example, with regards to the previous statement, it is not possible to indicate on the labelling *'Biscotti da Agricoltura Biologica'* (Biscuits obtained from Organic Farming) and instead only the statement *'Biscotti'* (Biscuits) may be used. The reference to Organic Farming is allowed only and exclusively in the List of Ingredients, where, ingredient per ingredient, a reference may be inserted related to the provenance of Organic Farming. For such products in fact, the label must carry the percentage of the raw materials derived from Organic Farming (for example *'75% degli ingredienti di origine agricola utilizzati è stato ottenuto conformemente alle norme della produzione biologica'* [75% of the ingredients derived from Organic Farming used have been obtained in accordance with current legislation relating to organic production]).

GS1 labels (EAN 13)

The presence of an EAN code on consumer packaging is mandatory and is subject to specific European Regulations concerning size, colour, contrast etc. EAN codes are currently referred to as GTIN's (Global Trade Identification Number).

In Italy there is an association called Indicod-Ecr which manages the diffusion of the standards adopted on an international level and also



information relating to the GS1 labels.

In Italy Indicod-Ecr represents:

- GS1: the international organism which coordinates the diffusion and correct implementation of the GS1 standard i.e. the most widespread and representative system used for the development of technical instruments for the commercial world.



- ECR Europe: the organism in Europe that manages the diffusion of techniques, instruments and methods of strategic/operational interfacing between industry and distribution and again between these and the end consumer.



Further details on this subject are stated in chapter 4.4 on electronic data exchange.

4.2.2 Packaging

To date Italian retailers have expressed little interest with regards to packaging in general and therefore as yet there are no specific requirements under Italian legislation regarding types of packaging. Packaging which is directly in contact with food is subject to specific EU regulations.

Italian retailers do however require that the secondary packaging (i.e. case, tray, crate) should contain a reasonable number of products that can all be easily displayed on the shelf.

The average number per case/tray/crate is 12 units. There are no particular preferences in terms of packaging but shelf standing products and vertical displays are welcomed. If the products are not in shelf standing format a tray to maintain the products in a vertical position is required.

Italian retailers are looking for attractive packaging with clear and concise statements regarding the product to facilitate end consumers in the selection of products.

Italian supermarkets and hypermarkets do not require shelf display cases, as in other countries. All the individual products are displayed on the shelf without the need for such trays apart from those products where a tray is required to ensure they remain in a vertical position.



The only exception to the above is in discount points of sale where only the tertiary packaging is removed and products are displayed in their secondary packaging for the most part.

It should be noted that crates are used mainly for the delivery of fruit and vegetables to the stores.

4.3 Logistics

Logistics are very important in developing exports to Italy and options should be evaluated prior to approaching potential retail customers.

Logistic costs have an important impact on the final offer and determine whether or not a proposal is feasible.

In general, for frozen, chilled and ambient, retailers will not keep large numbers of stock and therefore still require a high service level. Very short shelf life products or fresh products require daily deliveries to depots or even directly to the individual hypermarkets or supermarkets. Longer shelf life products are normally delivered between one to three times a week depending on stock rotation.

Considering the distance of Italy from Ireland and the fact that Italy is a geographically very long country means that direct delivery from Ireland to the retailers is possible but not always easily manageable.

Normally retailers are interested in importing most

1. meat or seafood products directly from foreign suppliers, as these are important food categories in Italy, or
2. products for their private label range.

All other products falling into different categories from those mentioned above require a third party company in Italy in order to manage the logistics and distribution at a national level.

This third party company may be either a logistics service supplier or a distributor/ manufacturer. In the latter case the distributor/ manufacturer will become the client and invoice the retailer. Nevertheless a direct relationship with the retailer will still be maintained.



Optimal pallet loads need to be determined, in Europallets, in order to integrate logistics costs in an overall evaluation of costs. Hauliers with access to the retailer's depots/points of sale will quote individual shipment costs per pallet from the manufacturer's site to the retailer's depot, based on expected volumes.

The logistics cost can be split as follows:

- The cost for managing the stock in the Italian depot
- The cost for distribution throughout Italy

It should be noted that, again as Italy is a long and narrow country, the costs for distribution vary greatly from region to region. Distribution costs in the North of Italy are clearly lower than those in the South or the islands (Sardinia & Sicily).

Further information on logistics requirements is detailed in the retailers section of this report (see chapter 5).

4.4 Electronic Data Exchange Requirements

More and more, retailers are using the internet and automated systems to exchange information. Employing the use of these systems is obligatory if a company is looking to supply (directly) to a retailer. The degree of detail which retailers employ on such systems does however differ from one retailer to the next. Esselunga is the retailer in Italy who is presently championing the use of such systems.

Please note that even though these systems are set-up to be uniform for all (international) retailers, again slight differences do exist per retailer or even per market which at times results in systems not being entirely compatible. It is recommended to allow sufficient specialist time to meet these requirements once a listing is agreed.

At the beginning of a partnership with an Italian retailer, orders can be sent via fax from the retailers without any electronic support. However once the business has grown to a reasonable size, the retailer may expect a switch to EDI.

4.4.1 EDI

EDI is defined as: the automated electronic exchange of data between the information systems of different organizations according to a predefined structure. EDI aims to significantly simplify administrative operations and to improve the quality and speed of information and data exchange. This enables retailers and its suppliers to manage the logistical flow in a better way.

EDI standardizes the electronic data communication between parties. In Italy the following activities are exchanged and communicated through using EDI:

- Ordering
- Delivery
- Stock management
- Invoicing
- Payment

4.5 Accreditations and Certifications

When a retailer decides to list a new product they always request assurances regarding quality standards.

All the Italian retailers have their own personalised version of a module which they request new suppliers to fill out with the main information about quality standards for each of the products supplied. Below is an example of a typical form which may be used by retailers.

Company Name			
VAT Number			
Factory Address			
Type of products supplied			
Surface area of the factory in square metres			
Sanitary Authorisation	N°	Attach copy	
Water provision is supplied through the means of:	<input type="checkbox"/> Connection to the water grid	<input type="checkbox"/> well	
The company employs an automatic control system as required by the legislation 852/04 or 853/04	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
Name of the person in charge of the automatic control system:			
Has the company implemented HACCP principles within it's own production process?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
Please give a short description:			
Does the company have control procedures in place with regards to parasites and rodents?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
Does the company have an annual plan in place with regards to sampling?	<input type="checkbox"/> YES Attach	<input type="checkbox"/> NO	

The company has identified a laboratory which conducts testing on their behalf:		Name of laboratory:	
The company has identified a methodology to ensure product traceability?		<input type="checkbox"/> SI	<input type="checkbox"/> NO
Manner of definition of the production lot:			
The undersigned declares that they are aware of the penal sanctions applicable in the case of false declarations, of the application or use of falsehoods, as established by Article 76 of the D.P.R. (Presidential Decree) n° 445 dated 28.12.2000 and undertakes to communicate any variation regarding the technical sheets as declared above.			
Date of compilation		Office stamp and signature of the legal representative	

For private label products, the retailer may ask for further certifications and assurances and normally audits are carried out. European standard certifications are increasingly requested but not a must so far.

4.5.1 Organic

In Italy there are many EU approved Italian organizations that certify and manage local production.

For products imported from within the EU retailers accept that similar certification takes place in the country where the products are manufactured. Normally European companies who are already in touch with bodies or associations in their own country are able to contact their counterparts abroad through the same bodies/associations.

The following four organisations are the principal ones currently present on the Italian market:



BioAgriCert is the quality trademark for certified organic products promoted by *Bioagricoop*. *Bioagricoop* is a technical control & certification body with regards to organic production and organic products obtained using approved organic agricultural methods in Italy. It's certification programme was the first in the Mediterranean basin to be recognised by IFOAM (International Federation of Organic Agriculture Movements).



The *Consorzio per il Controllo dei Prodotti Biologici* (Consortium for the Control of Organic Products) is a control & certification body which is recognised by the Italian Ministry of Agricultural, Food and Forestry Policies for the application of regulation CEE 2092/91 relating to companies which produce, prepare or import products produced according to organic production methods.





Suolo e Salute (Earth & Health) is a control and certification body for the food industry and environment and in particular for organic farming with activities ranging from research to certification to traceability all under the approval of the Italian Ministry of Agricultural, Food and Forestry Policies. In addition to organic farming, *Suolo e Salute* has since expanded its activities to other certification schemes in food and environment sectors. But organic farming remains the main objective of *Suolo e Salute* which today controls, in Italy, approximately 10,500 producers and processors of organic products and more than 265,000 hectares. It operates in compliance with the standards set by the Soil Association in the UK.



Bios Srl is a certification body for organic production in accordance with the EC regulation 834/2007 and 889/2008 and is again authorised by the Italian Ministry of Agricultural, Food and Forestry Policies.

Bios srl is accredited by SINCERT as a certification body as according to the legislation UNI CEI EN 45011. They are also accredited with IFOAM and USDANOP.

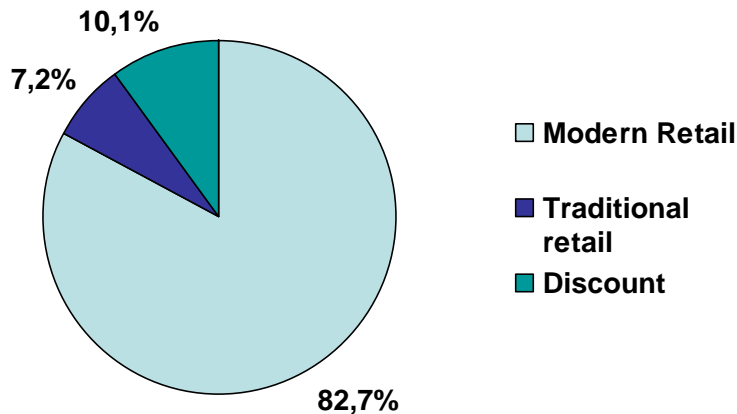
It should also be noted that from July 2010 the newly revamped EU organic logo is obligatory for all organic pre-packaged food products within the European Union. It is also possible to use the logo on a voluntary basis for non pre-packaged organic goods produced within the EU or any organic products imported from third countries. Previously this logo was used on a voluntary basis as an alternative to individual national trademarks for organic food products.



For organic labelling see chapter 4.2.1

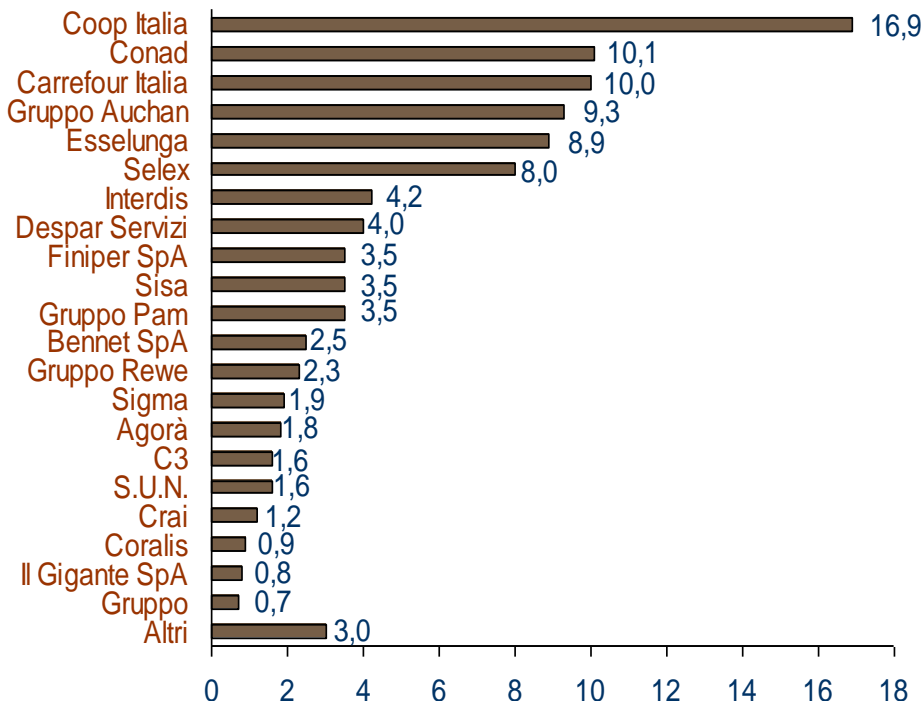
5 The Italian Retail Market

The Italian retail market (i.e. supermarkets, hypermarkets and convenience stores) accounts for 82.7% of total Food and Drink sales. Discounters account for 10.1% and remain stable while traditional stores are decreasing in number and nowadays account for only 7.2% of the total market.



The retail market is still highly fragmented with the top 5 chains accounting for 53,9% whilst the top 10 account for 77,1%.

Italian chains - Market share 2009 Total Grocery Modern Retail



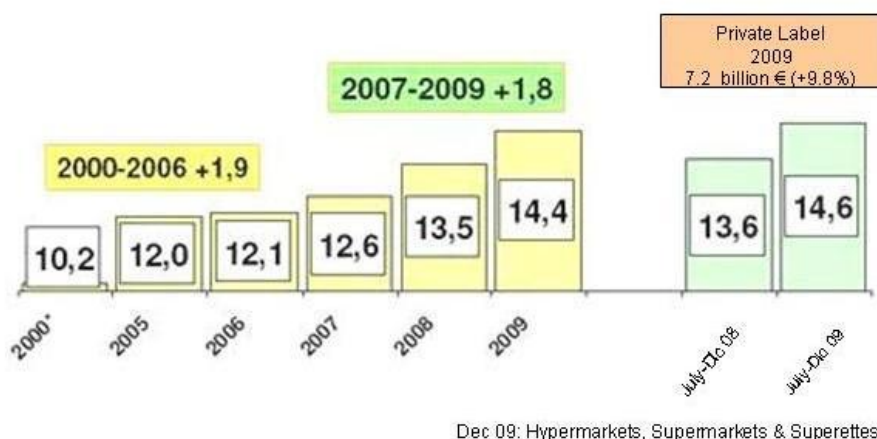
Source: IRI Infoscanner

NB : The market share indicated applies to the Total Modern Distribution

Main characteristics of Italian Retail in 2010

- Very few chains have centralised control.
- Many chains are Co-operatives or Buying Groups.
- Chains are regionally based having emerged from the acquisition of smaller regional chains.
- Moves towards internationalisation e.g. Carrefour, Auchan & Leclerc/Conad.
- Direct imports in strong increase due to quality control requirements and improvement in logistic systems.
- Retailers in the South suffer from severe logistical problems.
- **Private label (*marca commerciale*)** is still lower than in other European markets but the sector is growing rapidly as all the main retailers are enlarging their private label range and supporting it with advertising in the main media channels.

See below for the private label trend in Italian retailers:



Source: Marca

Main characteristics of Italian Retailers in 2010

- High level of promotional offers, i.e. temporarily reduced prices, called 'cut price promotions' with discounts of 20, 30, 40 or 50%. These are the only promotional activities run by the Italian chains.
- Particular attention is paid to 'best price' offers in order to remain competitive with discounters.
- Reduced space for mainstream and premium branded products.
- Increase of private label offer.

The key elements that the Italian retailers are looking for:

- Margin percentage
- Retail selling price
- Listing fee
- Promotional support in percentage and in Net value per year
- Discount offered for promotional activities (i.e. reduced prices for temporary periods)
- Rotation per store per week
- Service level of deliveries to depots

Retailers put a lot of emphasis on pricing due to increased competition between the main chains which is almost entirely based on price.

The main competition in Italy is between two individual retail chains: Esselunga and Coop Italia. However it should be noted that all retailers feel the consequences of the fall-out from this particularly fierce competition. The battle between the two retail chains has been going on for more than ten years and has recently intensified dramatically due to the publication of a book entitled '*Falce & Carrello*' (*The Scythe & the Trolley*) written by the founder of Esselunga, Bernardo Caprotti. This book was published as an attempt to record all the allegedly harmful behaviour waged by Coop Italia against Esselunga.



Margin Percentage

All retailers in Italy use the same international standard method to calculate the margin percentage.

Calculation examples on VAT are as follows:

- Calculation of VAT and margin on Retail Selling Price (RSP) excluding VAT:

RSP	Euro 2.00
VAT (10%)	Euro 0.18 -
RSP-VAT	Euro 1.82
MSP	Euro 1.20
Margin	Euro 0.62

Margin % (0.62 / 1.82) **34% over € 1,82**

This margin in Italy is considered as the FIRST MARGIN.

Only the chain Esselunga uses a different method : Calculation of VAT and margin on a Retail selling price;

RSP:	Euro 2,00	
VAT (10%)	Euro 0,18 -	
RSP-VAT	Euro 1,82	
Margin	Euro 0,62	31 % over €2,00
MSP	Euro 1,20	

Promotional support in percentage and in Net Value per year

The second element of retailer margin relate to the promotional support. Retailers request this margin in order to support their costs during promotional periods. The level is calculated as a percentage on the supplier's net turnover and varies according to product category.

This percentage is not indicated on invoices and instead it is normally the retailer that invoices this amount directly to the supplier at the end of each quarter.

The first margin in percentage added to this second discount regarding support gives the final margin which is referred to as the SECOND MARGIN.

Every year, usually during the period January-March, each retailer invites their suppliers to a meeting to discuss the annual contract. During this meeting the previous year's performance is reviewed and commercial agreements are made for the New Year.

Retailer Margin Expectations

The margin expectation in Italy depends on the product category and the product positioning.

The retailer always considers the second margin that may range from between 35-40% for private label or commodity products and up to 50% for premium or niche products.

Promotional Support (Temporary Price Reduction)

Promotional support of Temporary Price Reduction activities is nearly 10-15% percent of the average total sales value.

Cut price discounts employed for promotional activities can range from between 10-50% depending on the kind of activity and the extent of the retail discount.

Retail promotions in Italy often have a duration of 10 days or up to two weeks and involve a series of products distributed by the retailer. The promotion is communicated to the end consumer by advertising on television, national

press and personalised leaflets which are distributed door to door the week before the start of the promotional period and they are distributed at the point of sale entrance for the entire duration of the promotion.

Two examples of these promotional leaflets follow below (from retailers Esselunga & Pam):



Often the retailer asks suppliers for a financial contribution towards the cost of the promotional leaflets.

These promotions have two clearly defined periods:

- **SELL-IN period:** this period begins one month before the actual start of the promotion and lasts up to the end of the promotion. During this period the retailer can acquire stock from the producer at discounted prices as previously agreed with.
- **SELL-OUT period:** this period refers the actual promotional period when the products are discounted in-store, which normally lasts between 10-14 days depending on the retailer involved.

Listing fee

All the Italian chains ask the supplier for the introduction on sale of a new branded product for a contribution to support the listing cost and all the costs involved in opening the initial account.

The fee requested could be a contribution per SKU per store or a fixed amount.

The amount required changes all the time depending on the product category involved along with the category sales trends, the level of interest of the chain

in having the product, the space available at the time of presentation and the commercial agreement made.

The Buying Groups

Buying groups act as a commercial office for those retailers that are members. Some retailers prefer to buy independently (for example Esselunga, Pam & Carrefour) whereas certain Buying groups act for hundreds of smaller members (for example Crai, Sisa, Selex etc).

Below follows a list of the top 37 Buying Groups in alphabetical order:

1. Agorà network (Sogegross, Poli, Iperal, Comservice, Orrigoni & Cedis)
2. Alfi
3. Auchan / Sma
4. Bennet
5. Briò
6. Carrefour Italia
7. CDS
8. Ce.Di Gros
9. Co.Dist
10. Comas
11. Conad
12. ConitCoop
13. Coop
14. Coralis
15. Crai
16. Despar Italia Consorzio
17. Esselunga
18. Eurospin
19. Finiper / Unes
20. Gruppo C3
21. GDA Group
22. Il Gigante
23. Interdis
24. Iper
25. Lombardini
26. Mediamarket
27. Metro
28. Gruppo PAM / Panorama
29. Pascar Group
30. Sai
31. Selex gruppo commerciale
32. Supercentro
33. Sigma
34. Sintesi
35. Sisa
36. Standa / Billa (Gruppo Rewe Italia)

37. Sun (Cadoro, Magazzini Gabrielli, Italmark, Orvea, Superconti)

The Supercentrali

The *Supercentrali* (Supercentres) are commercial offices of certain retail chains or buying groups that have joined forces in order to increase their contractual powers with the most important suppliers by exchange of commercial information of suppliers (discounts....). The main *Supercentrali* are:

- *Centrale Italiana* consisting of Coop, Il Gigante, Despar, Sigma & Conitcoop.
- *Intermedia* consisting of Auchan/Sma, Bennet, Gruppo Lombardini, Gruppo Sun, Metro & Crai.
- *GDPlus* consisting of Carrefour, Iper, Unes, Ce.Di Gros, Agorà network, Alfi & CDS.
- *Sicon* consisting of the Rewe Group (Standa, Billa & Penny Market), the Interdis group & Conad.
- *ESD Italia* consisting of Selex (A&O) and self service specialists Cedas (Acqua & Sapone)

5.1 Coop Italia Cooperatives



Coop, the abbreviation of *Cooperativa di Consumatori* (Consumer Co-operative), is a brand which is characterised by its system of co-operatives that manage not only a network of supermarkets and hypermarkets but also a chain of discount stores under the brand 'Dico'. Coop points of sale are mainly to be found in Central and Northern Italy although its presence is increasing in the South of Italy and the islands, in particular in Campania, Puglia and Sicily.

Today Coop is made up of 124 consumer co-operatives of varying dimensions (9 are large co-operatives, 14 medium and 101 small) and has varying territorial coverage (the larger Coops are inter-regional whereas the smaller ones operate exclusively in the outlying administrative divisions of municipalities). These consumer co-operatives are autonomous on both legal and operational levels and are associated on both an inter-regional (through districts) and national level (through ANCC-Coop) in order to share commercial politics, company strategy and initiatives geared towards

members/consumers and with regards to the territory of reference. Coop Italia is the purchasing centre for the entire system and also manages questions related to marketing.

Coop Italia is the main protagonist within the Italian Retail Market: in 2008 their total sales reached 12,631 billion Euros (ahead of the French groups Carrefour & Auchan and their main Italian competitor Conad). They operate a total of 1,472 points of sale across fifteen regions (they are absent in the following regions: Valle d'Aosta, Molise, Calabria & Sicily. However if one includes the discount retail chain Dico then they have a presence in every Italian region) with a total surface area of 1,685,829 m², 54,923 employees and 6,954,807 members.

Banner	Total Sales	Format	No. Of Stores	Sales Area (square metres)	Av. Sales Area (square metres)
Coop	5,747	Superettes and Supermarkets	612	754,596	1,233
Ipercoop	5,013	Hypermarkets	92	688,068	7,479
Coop	1,116	Convenience Stores	507	161,733	319
Disco/Dix	539	Hard & Super Discount	261	81,432	312

In recent years, a rationalisation process of the structure has been underway both on a central and territorial level, with fusion between co-operatives and expansion processes underway in the southern regions of Italy.

The logistics structure is tied to the purchase of non-alimentary products within Coop Italia (CNNA) which was previously based at Sesto Fiorentino and has since moved to Prato.

The Principal Co-operatives

The nine large cooperatives are grouped together in a total of three Districts:

- **Distretto Nord Ovest**
 1. Coop Liguria
 2. Coop Lombardia
 3. Novacoop – Piemonte
- **Distretto Adriatico**
 1. Coop Adriatica – Romagna
 2. Coop Consumatori Nordest – Veneto & Trentino

3. Coop Estense – Emilia & Puglia

- **Distretto Tirrenico**

1. Coop Centro Italia – Lazio & Umbria

2. Unicoop Firenze – Toscana

3. Unicoop Tirreno – Toscana, Campania & Sicily

The Sales Network

Coop Italia has adopted different sales layouts for the different typologies of points of sale.

In particular the more traditional supermarket channel is being shaped with the following divisions:

- Convenience stores or superettes (up to a total of 1,000 m²) with a basic alimentary assortment, marketed under the brand name *InCoop*.
- Medium-scale supermarkets (up to a total of between 2,000-2,500 m²) with a large alimentary range, marketed under the brand name *Coop*.
- Large-scale supermarkets or superstores (between 2,500 to 3,000/3,500 m²) with a large selection of non-alimentary products, marketed under the brand name *Coop* or, when situated inside commercial centres, *Coop&Coop*.

In addition to the above there are a total of 90 hypermarkets under the name *Ipercoop* each with a surface area of between 3,000-15,000 m² which represent the top points of sale having an expansive assortment not only of alimentary but also non-alimentary goods and specialised departments in household departments, telephony, hi-fi and, in some cases, opticians and small pharmacies.

Coop Italia also operates through their subsidiary *Sviluppo Discount (Dico)* in the discount channel: these points of sale are present in every region throughout Italy and are normally of small or medium dimensions.

5.1.1 COOP Italia - Pricing Policy

Coop pricing policy is not decided on a central basis but is instead individually determined at a cooperative level. This means that prices of products will be different depending on which region they are sold in.

The cooperatives making up the Distretto Tirrenico (Toscana, Lazio & Umbria) normally operate with lower margins and their retail selling prices also tend to be lower than the national average by between 12-20% across all product categories.

On the other hand Coop Lombardia (operating in the Milan area) set retail prices which are normally 3-5% higher than the national average as consumers in this area tend to have more disposable income.

Coop Italia also has a very important private label offer which counts for more than 24% of their total sales.

Coop Italia believes firmly in offering consumers added value alternatives to branded products through its private label range: here quality is more of a priority than price.

Their premium range of private label products, called *FIOR FIORE*, offers a selection of top quality speciality and gastronomy products.



CRESCENDO is a product range of selected food & drink products especially for babies which are produced using top quality, natural ingredients.

The *CLUB 4-10* product range offers a selection of food & drink products created for children between the ages of 4-10 years old and again uses top quality, natural ingredients.



BIO-LOGICI is a range of selected organic products.

SOLUZIONI: private label product range offering convenience foods and ready meals



The Coop also offers a range of **GLUTEN FREE** products.

SOLIDAL is their range of ethically sound products.



The margin requirements for private label products requested by the Coop differ per product category and range from 30-35% for high rotation ambient/chilled or frozen products to up to 45% for premium products.

5.1.2 COOP Italia - Listing fees & Promotional Requirements

In order to gain a listing in Coop Italia with a branded product, a contribution per SKU per store is required in order to support the costs involved in opening the initial account. The amount is not fixed and again depends on the product category involved along with the category sales trends, the level of interest shown personally by the buyer in having the product, the space available at the time of presentation and the commercial agreement made.

No entry fees are required for private label products.

The annual cost of promotional support ranges from between 8-15% of the net total turnover both for own label propositions and branded products.

5.1.3 COOP Italia - Logistics Structure

The logistics at Coop Italia are well organised. Coop Italia uses a total of seven regional depots - one based in Milan, two in the North-East of Italy, three in Central Italy and one in the South. Suppliers are asked to supply directly to the regional depots.

Orders are placed by the individual depot's logistics order manager on the basis of the actual orders per individual store.

Coop Italia depots are however extremely strict and goods must be delivered within the pre-agreed timeslots and according to the agreed terms and quality specifications. If these are not met, the depot will not accept the delivery.

For chilled and fresh produce the orders are either *A for B* (order today for delivery tomorrow) or *A per C* (order today for delivery the day after tomorrow). For products with longer shelf lives the lead time is normally seven days.

5.1.4 Coop Italia - From Presentation to Launch

After carrying out the research as recommended in the previous chapters, Coop Italia can be approached. The first contact is with the category manager of the specific product group.

Providing detailed information, preferably by e-mail, will help the category manager to respond in a positive manner towards agreeing to a meeting. This pre-information should include company background as well as some clarity towards the ambitions and the actual proposition.

Category managers are very time conscious and will only allow a maximum of a one hour timeslot and only if they are convinced that the product is worth this investment.

When in a meeting and pitching for business, the majority of the time should be spent on the actual proposition and the potential it brings to COOP Italia. If successful, a second (or sometimes even third) meeting will take place in which the final negotiations will take place on listings fees, investments and promotional supports and promotional discounts.

If the initial agreement with the category manager is positive, they will present the proposition in its entirety to the managers of the co-operatives during the annual category-review meeting. The final decision on listing will be taken by this group of people through a vote.

After having agreed a listing, a series of activities will be set into action where all the specifics mentioned in previous chapters will be examined (i.e. logistics, packaging, labelling, quality promotional plan etc.)

This period takes at least 4-6 months before the first order will be placed.

5.2 CONAD Cooperatives



Conad is an association of private owners of smaller chains located throughout Italy. These smaller chains are managed through regional independent cooperatives while the national head office is responsible for overall coordination and the private label range.

This retail chain (together with Esselunga) is one of the best performers on the Italian retail market and their strength lies in the total network of over 1,300 neighbourhood stores. Recently Conad has entered into a partnership with the French Chain Leclerc with regards to the management of their hypermarkets in Italy.

- Conad is based on a network of 8 cooperatives spread throughout Italy:
 - NordiConad Piemonte: Liguria, Modena and Verona
 - Conad Centro Nord: Lombardia & Piacenza, Parma and Reggio Emilia
 - Conad Romagna Marche: Triveneto, Friuli, Romagna and Pesaro
 - Conad Mercurio: Sicily
 - Conad Sicilia: Sicily
 - Conad Adriatico: Ascoli, Abruzzo and Puglia
 - Pack 2000: Umbria, Lazio, Campania and Calabria
 - Conad Tirreno: Toscana, Liguria, Roma and Sardegna (20% of total sales = 2% of Italian Market)
- Conad has a total of 2,641 stores as follows:

Banner	Total Sales	Format	No. Of Stores	Sales Area (square metres)	Av. Sales Area (square metres)
Conad	6,075	Superettes and Supermarkets	1,359	860,247	633
Margherita	1,054	Convenience Stores	1,253	218,022	174
E. Leclerc	1000	Hypermarkets	29	133.110	4.590

- Private Label: 1,800 items with a market share of 14%. Total turnover of € 960m.

- Loyalty Card (*Carta Insieme*): in December 2009 the total number of active loyalty cards in use was 5,886,728. They are used in more than 60% of all transactions and account for 74% of turnover.

5.2.1 CONAD Italia - Pricing Policy

Again the pricing policy in Conad is not taken at a central level but is decided instead at a cooperative level meaning that prices will vary depending on region.

The margin requirements for products requested by Conad differ per product category and range from 30-35% for high rotation ambient/chilled or frozen products to up to 45% for premium products.

Conad Italia has a series of private label ranges which account for more than 14% of total sales. The most successful private label product range by Conad is their Premium range of Italian regional products entitled *Sapori e Dintorni* (Flavours & Surroundings).

Private Label Ranges:

- **Conad Private Label:** Covering a wide range of product categories.



- **Conad Percorso Qualità:** Quality assurance label promoted by Conad for the following product categories: fruit & vegetables, beef, chicken, turkey & other fowl, fish and seafood.



- **Conad Sapori & Dintorni:** Premium range of regional



products with specialities from the various regions of Italy

- **Conad Il Biologico:** Private label range of organic products.

5.2.2 CONAD - Listing Fee & Promotional Requirements

A financial contribution, used to open an account with the retailer, is required to list products at Conad, both locally and centrally. The amount is variable and depends on the product category, the sales trends relating to the product category, the amount of interest shown by the buyer in having the product, the shelf space available at the time of discussion and the commercial agreements made.

No entry fees are normally required for private label products.

The annual cost of promotional support ranges from between 8-15% of the net total turnover both for own label propositions and branded products.

5.2.3 Conad - Logistics Structure

As the Conad System is based on a network of eight cooperatives the logistics are also controlled by the same. Each cooperative has its own regional depot where suppliers deliver directly.

Orders are placed by each depot's logistic order manager on the basis of the individual orders received from each point of sale.

Conad depots are again very strict and goods must be delivered during the agreed timeslots and according to the agreed terms and quality specifications. If these requirements are not met, the depot will refuse the delivery.

For chilled and fresh produce the orders are either *A for B* (order today for delivery tomorrow) or *A per C* (order today for delivery the day after tomorrow). For products with longer shelf lives the lead time is normally seven days.

5.2.4 Conad - From Presentation to Launch

There are two ways of gaining a listing for a branded product in Conad:

- For medium-scale companies: the route to follow is to individually contact the eight Conad co-operatives and request a meeting with the local category management for a local listing.

- For large-scale companies: it is possible to acquire a central listing by dealing directly with the category manager at Conad headquarters even if a second level negotiation will still be necessary with the individual cooperatives.

Private label products are managed at a central level where there is a dedicated private label department.

The contact process is same as in all the Italian retail chains: initially providing detailed information, preferably by e-mail, will help secure a positive response with regards to a first meeting. This pre-information should include company background as well as some clarity towards the ambitions and the proposition.

An initial meeting will only be agreed if the local or central buyers are interested in the proposition.

5.3 Carrefour



Carrefour is now the third largest multiple retailer in Italy after Coop Italia and Conad.

Carrefour entered the Italian market through the acquisition of a series of local chains.

At present the group is currently in the process of changing their commercial structure from having three main store brands (Carrefour for hypermarket formats, GS for supermarket formats and Dipedi for convenience store formats), each with different assortments and consequently suppliers, to a single brand, *Carrefour*, which would have the same suppliers across the board and a total of three different levels of assortment.

Carrefour is present in a total of nineteen Italian regions. The commercial structure at the end of 2009 can be split as follows:

Banner	Total Sales	Format	No. Of Stores	Sales Area (square metres)	Av. Sales Area (square metres)
Di per Di	2,939	Convenience Stores	964	319,084	331

Carrefour Express	4,417	Superettes and Supermarkets	501	613,224	1,224
Carrefour	3,161	Hypermarkets	65	452,66	6,964

All points of sale are controlled centrally by the head office in Milan, even if the group is suffering organisational and logistic problems due to the difficulties of integrating the various stores.

This means that prices and product positioning in-store vary from store to store and promotional activities are often still managed differently from store to store.

5.3.1 Carrefour Italia - Pricing Policy

Carrefour's pricing policy is decided at a central level. Nevertheless this does not guarantee the same price across all stores as individual store managers ultimately determine the final retail price.

The margin requirements for private label products requested by Carrefour differ per product category and range from 30-35% for high rotation ambient/chilled or frozen products to up to 45% for premium products.

Carrefour has a range of 3,500 Private Label Sku's with many different brands.



Private Label: TERRE D'ITALIA

TERRE d'ITALIA is a product range featuring regional gastronomic specialities which have been produced using selected ingredients and created using traditional techniques from knowledge often passed down from generation to generation.

Only small and medium sized supply companies which operate directly in the territory where the product originates are used.



Carrefour puts a lot of emphasis on guaranteeing quality through rigorous controls of the raw materials, the production process itself and the final

product. They are also keen to work closely with their suppliers in order to construct solid long term working relationships with them and build upon the concept of local produce.

Private Label Strategy

Differentiation: to offer distinctive and unique products which meet the expectations of consumers thereby consolidating consumer loyalty.

Segmentation: to satisfy the needs of different types of consumers with targeted and specific assortments

Innovation: to develop new and innovative product lines whilst continuously improving the existing range of products available.

5.3.2 CARREFOUR - Listing Fee & Promotional Requirements

Carrefour requires an initial contribution towards the cost for opening a new account with them. The amount requested is per SKU and is usually approximately 20% of the total of the potential turnover in the first year.

The annual cost of promotional support ranges from between 8-15% of the net total turnover both for own label propositions and branded products.

5.3.3 Carrefour - Logistics Structure

Carrefour has two logistics structures - one covering the North of Italy and the other covering Central Italy and the Southern regions. While the structure in the North works quite efficiently the structure in Central Italy and the South is frequently beset by problems. As a result direct deliveries to each hypermarket are welcomed by Carrefour in the latter.

Orders are placed by the each depot's logistic re-ordering manager on the basis of the individual orders received from each point of sale.

5.3.4 Carrefour - From Presentation to Launch

The initial presentation is made to the category buyer who then discusses the product range with the category manager. If the project is approved internally, then the buyer will meet the supplier for a second time in order to discuss the commercial aspect regarding listing fees and promotional support.

Carrefour normally requests an extra financial contribution to cover the presence of the product in their promotional leaflets.

5.4 Auchan



Auchan has been present in Italy since 1989 and since then has expanded to become one of the main players in the Italian retail market.

The retail chain is active in a total of eleven regions and the commercial structure is tabled below:

Banner	Total Sales	Format	No. Of Stores	Sales Area (square metres)	Av. Sales Area (square metres)
Auchan	3,176	Hypermarkets	48	423	9
Sma, Simply Express	3,035	Superettes and Supermarkets	1,539	958,757	623

The chain also manages over 200 points of sale under the brand *Simply Express* which are also present in eleven regions with a mixture of supermarkets & superettes.

Their main focus is on non-alimentary goods and food products have a more complementary role.

5.4.1 Auchan - Pricing Policy

Auchan's pricing policy is decided at a central level. This does not however guarantee that prices remain fixed within all the points of sale as ultimately the store manager sets the final retail price.

The margin requirements for products requested by Auchan differ per product category and range from 30-35% for high rotation ambient/chilled or frozen products to up to 45% for premium products.

5.4.2 Auchan - Listing Fee & Promotional Requirements

Auchan requires a financial contribution in order to open a new account with them. The total listing fee requested depends on a series of different factors and each product line is reviewed individually.

The annual cost of promotional support ranges from between 5-10% of the net total turnover both for own label propositions and branded products.

5.4.3 Auchan - Logistics Structure

The only way to successfully deliver to Auchan is by delivering to each individual hypermarket as their own logistics structure is not reliable. Orders are also placed by each individual point of sale.

5.4.4 Auchan - From Presentation to Launch

The methodology for presenting new projects to Auchan is basically the same as that for Carrefour. The initial is to the buyer who, if favourable, will then discuss the proposal internally with the category manager. If the project is approved internally, then the buyer will meet the supplier again in order to negotiate the listing fee, promotional support etc.

Auchan expects a separate financial contribution to be made to cover their promotional costs of featuring the product in their personalised leaflets during these periods.

5.5 Esselunga



Esselunga is synonymous with high quality and professionalism in the supermarket and hypermarket segment.

After opening its first self-service supermarket in Italy in 1957, the family-owned company, still held by the Founder Bernardo Caprotti now operates in the Lombardy, Piedmont, Tuscan, Veneto and Emilia regions.

Five new store openings are planned for 2010 which will bring the total number of stores to 147 (including a mix of superstores which provide 70% of the total turnover, supermarkets and neighbourhood stores).

Banner	Total Sales	Format	No. Of Stores	Sales Area (square metres)	Av. Sales Area (square metres)
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Superstore	4,605	Hypermarkets	80	212	2650
Supermarket sotto casa	1,316	Superettes	67	54,203	809

It is currently the fifth largest chain in Italy in terms of market share but it is the number 1 retailer in terms of profitability and sales value per square metre which is more than four times that of their closest competitor.

At the end of a difficult year in terms of retail sales as a result of the economic and financial crisis, Esselunga nevertheless closed their budget with sales of 6,056.7 million Euros, registering an increase of 4.7%.

Esselunga is perceived to offer quality and value for money, and therefore a high standard of customer satisfaction. According to a recent national survey by *Altroconsumo* (the largest independent consumer body in Italy with over 300,000 members) Esselunga is the retailer which offers the best value and quality for consumers and has done for the last five years. Esselunga provides:

- Focus on service and quality.
- First chain in Italy to create an e-commerce service, modelled on that created previously by Tesco.
- Successful Loyalty Scheme (Fidaty) with a total of 3,000,000 active cards in circulation
- Sales penetration with Fidaty loyalty cards of 90%

Esselunga's management is centralized at all levels: pricing, shelf layout, promotional activities and logistics decisions are all taken centrally. The store manager must follow the directions from the central office and has no influence on a local level.

Even pricing is determined centrally and communicated daily to the individual stores.

5.5.1 Esselunga - Pricing Policy

Esselunga prides itself on offering consumers the best prices for the best quality and range of products. This has been a fundamental goal of the company since it was founded.

CAMPIONI DEL RISPARMIO 2008



The image on the right shows an example of one of Esselunga's adverts where they make the claim to have the lowest prices in Italy (*'I prezzi più bassi d'Italia'*).

This positioning is very important for Esselunga and they check prices from all their main competitors daily

in order to modify their prices so that they can ensure they are really offering the lowest prices in Italy.

At present their main competition is from Coop as mentioned earlier in this report.

In terms of pricing margins Esselunga requires nearly 50% for premium products and between 30-40% for high rotation ambient/chilled or frozen products.

5.5.2 Esselunga - Listing fees and Promotional Requirements

Esselunga, as with all the other Italian retail chains, requires financial support for the introduction of new products. This is normally related to the product itself and the value requested depends on the product category, the interest that the chain has in stocking the product range, the size of supplier etc. There are no standard rules and each product range is evaluated on an individual basis.

Esselunga is easily the most aggressive retailer in Italy in terms of prices and they also maintain this strategy during promotional periods where they offer very high discounts on the products featured.



For the above reason it is fundamental that the supplier is in a position to accommodate the promotional activities that Esselunga undertakes – temporary price discounts will be expected at least a minimum of three times a year.

The price discounts offered during promotional periods are between 30-50%. The promotions last for a total of 14 days and always begin on Thursdays, finishing two weeks later at the close of Wednesday.

The annual cost of promotional support ranges from between 15-30% of the net total turnover both for own label propositions and branded products.

5.5.3 Esselunga - Logistics Structure

Esselunga's core strategy is based on logistics efficiency and therefore it is not surprising that the locations of all Esselunga points of sale are positioned so as to be efficient in logistics terms.

Esselunga has a total of three depots at present – one in each of the main regions where they are present (Lombardy, Tuscany & Piedmont) and each depot has at least one specialisation

The depot at PIOLTELLO (MI) consists of:

- The central offices
- A central depot for store deliveries located in the North of Italy (Lombardia & Veneto)
- Five separate logistics platforms - each one designated for a specific group of products (meat, fruit, vegetables, gastronomy and ambient)
- Manufacturing facilities for the following:
 - prepared salads and vegetables
 - ready meals and gastronomy
 - fresh fish (cleaning and packing)

The depot at BIANDRATE (NO) consists of:

- A central depot for store deliveries located in the North of Italy (Piedmont and Liguria)
- A logistics platform which is focused on seafood
- Manufacturing facilities for the following:
 - Seafood and fresh fish (cleaning & packing)

The depot at SESTO FIORENTINO (FI) consists of:

- A central depot for store deliveries located in Tuscany and Emilia Romagna.
- Five separate logistics platforms - each one designated for a specific group of products (meat, fruit, vegetables, gastronomy, fish and ambient).
- Production facilities for the following:
 - Bread
 - Bakery products

The depots are open 24 hours a day and seven days a week. Esselunga will require direct deliveries to all three depots.

5.5.4 Esselunga - From Presentation to Launch

The process of presenting a new proposal to Esselunga is very similar to the other retailers mentioned above. Each product category is reviewed once a year. The proposal should be presented to the category buyer at least a couple of months before the annual review following the steps below:

- An email should be sent to the category buyer with a short presentation (in Italian) of the proposal.
- Samples should also be sent of the products.
- The buyer should be contacted telephonically to check that both the presentation and the samples have been received and to arrange a preliminary meeting.

The buyer will only accept a meeting if they believe that the product presented has potential.

Once the meeting has been arranged the buyer will request the following:

- A full presentation of the proposal
- The price list and marginality
- The listing fee offer
- The promotional plan for the first year i.e. number of promotions and level of discount offered.

At the end of this process the buyer will present all the proposals received of potential interest for the chain to the category committee during the annual review meeting.

If the committee is favourable then the buyer will contact the supplier to finalise the agreement and within less than thirty days they will expect to have the product on sale within their stores.

6. Trade Presentation - Recommended Content

The trade presentation is an extremely important document as it is the first introduction to the products and proposal to reach the retailer. As a result of this document the buyer or category manager will make a decision on whether or not the proposal is of interest.

For the above reason it is important that the presentation includes the following:

- Company presentation (1 page is sufficient – maximum of 2)
- Product characteristics
- Price positioning – target
- Potential sales in the chains over the first three years (this can be expressed in average unit sales per store per week)
- Experience/case history in another European country
- Marginality % offered to the chain
- Promotional trade support
- Consumer support (if applicable)
- Logistics information

7. Payment Terms

Payments terms in Italy are longer than the European average. The majority of payments are concentrated at the end of each month and payment terms range from 60 to 120 days with an average of 60-90 days.

Payment terms are always agreed during the initial stages of the working relationship. All the main retailers are reliable in terms of paying and they do pay as according to the terms agreed without further delays.

Letter of credit is not usually accepted in Italy with the exception of the wholesalers/ importers channel which may take in consideration this term, especially at the beginning of the business relationship with the supplier

8. Additional Sources of Information and References

8.1 Research

- **Market Data**

Nielsen

Address: Via G. di Vittorio 10, 20094 Corsico (MI)

Tel: +39 0245197.1

Fax: +39 0245866235

Website: <http://it.nielsen.com>



IRI INFOSCAN

Address: Via dei Missaglia 97, 20142 Milano (MI)

Tel: +39 02 52579 1

Fax: +39 0289302666

Website: www.symphoniyiri.com



- **Quantitative and qualitative analysis**

- consumer panel
- concept and product test
- multi-client research

GfK Eurisko

Milan Office: Via Monte Rosa, 17-19, 20149 Milano (MI)

Tel: +39 02 438091

Fax +39 02 4814177

Email: info@gfk-eurisko.it



Rome Office: Piazza della Repubblica 59, 00185 Roma (RM)

Tel: +39 06 47823302

Fax: +39 06 96703967

Email: eurroma@gfk-eurisko.it

<http://www.gfk.com/gfk-eurisko/company/index.it.html>

Synovate

Address: Via Martignoni 25, 20125 Milano (MI)

Tel: +39 02 3980 0300

Fax: +39 02 3980 0301



8.2 Taxes and Excise Duties

Agenzia delle Entrate (Italian Revenue Agency)



List of the Regional Offices:

Regione	Città	C.a.p.	Indirizzo	Telefono
Abruzzo	L'Aquila	67100	Località Centi Colella - Strada Statale 17 Ovest	08626481
Basilicata	Potenza	85100	Via dei Mille - C.da Canale	0971337111- 337205
Calabria	Catanzaro	88100	Via Lombardi s.n.c.	0961715401
Campania	Napoli	80134	Via Diaz, 11	0814281111
Emilia Romagna	Bologna	40131	Via Marco Polo, 60	0516358111
Friuli Venezia Giulia	Trieste	34100	Viale Miramare, 7	0404198411
Lazio	Roma	00155	Via G. Capranesi, 60	06225981
Liguria	Genova	16121	Via Fiume, 2	01055481
Lombardia	Milano	20121	Via Manin, 25	02655041

Marche	Ancona	60100	Via Palestro, 15	0712274311
Molise	Campobasso	86100	Via Scatolone, 4	08744351
Piemonte	Torino	10121	Corso Vinzaglio, 8	0115587998
Puglia	Bari	70126	Via Amendola, 201/7	0805490111
Sardegna	Cagliari	09100	Via Bacareda, 27	07040901
Sicilia	Palermo	90146	Via Konrad Roentgen, 3	0916803002-3
Toscana	Firenze	50129	Via della Fortezza, 8	05549781
Umbria	Perugia	06100	Via Canali, 12	0755145711
Valle d'Aosta	Aosta	11100	Piazza Manzetti, 2	0165306811
Veneto	Venezia	30100	Palazzo Erizzo - Cannaregio 2139	0412409411
Direzione Provinciale Bolzano	Bolzano	39100	Piazza del Tribunale, 2	0471443111
Direzione Provinciale Trento	Trento	38100	Via Brennero 133	0461410911

Fiscal representatives (Tax Agents)

Studio Mosca

Address: Via Macello 25, 39100 Bolzano (BZ)

Tel: +39 0471/980150

Fax: +39 0471/974653

Website: www.moscabruno.com



Accise Sara Gastaldello

Address: Via delle Industrie 8, One' di Fonte (TV)

Tel: +39 0423.946460

fax: +39 0423. 928162

Website: <http://accisa.net/>



8.3 Labels and Packaging

INDICOD- ECR

Address: Via Serbelloni 5, 20122

Milano (MI)

Tel: +39 02 7772121

Website: <http://indicod-ecr.it/>



8.4 Logistics

Number 1 Logistics Group

Address: V.le Forlanini 2/A • 43100 Parma

Via Pergolesi 25, 20124 Milano (MI)

Tel: +39. 0521 263535 fax: +39. 0521 263499

Website: www.number1.it

Leading Logistic Company specialized in Grocery ambient products



tel:

Cavalieri trasporti e Spedizioni

Address: Sda San Donati 21/4

43100, San Prospero Prmense (PR)

tel: Tel: +39. 0521 6441111

Website: <http://www.stef-tfe.fr/index.it>

Leading Logistic Company specialized in controlled temperature and frozen



8.5 Retailers

AGORA' NETWORK S.c.a r.l

Address: Via Pergolesi 25, 20124 Milano (MI)

tel: +39.02 67339801

fax: +39.02 67339820

Website: <http://www.agora-net.it>



Alì S.p.A.

Sede Uffici

Via Olanda, 2

35127 Padova

Tel 049 8692211

Fax 049 8692200

Website: <http://www.alisupermercati.it/>



Auchan S.p.A

Rozzano Milanofiori

Strada 8 Palazzo N

Website: <http://www.auchan.it>



Bennet Spa

Via Enzo Ratti 2, Montano Lucino (CO)

Tel 031 475111

Fax 031 471110

Website: <http://www.bennet.com>



GRUPPO GS - CARREFOUR ITALIA

Via Caldera 21, 20153 Milano (MI)

Tel: +39 02 48251

Fax: +39 02 48252619

Website: www.carrefour.it



CDS S.p.a.

Via S.Averna 29, 93100 Caltanissetta (CL)

Tel: +39 0934 532500

Fax: +39 0934 532502

Website: www.cdsspa.it



CeDi Gros

Via Tor Tre Teste 222, Roma (RM)

Tel: +39 06 221931

Website: www.cedigros.com



Co. Dist

Corso Lodi 47, 20139 Milano (MI)

Tel: +39 02 54121784

Fax: +39 02 54103098

Website: www.codistconsorzio.it



Comas

S.S. 113 Km 327, Alcamo

Tel: +39 0924 509840

Fax: +39 0924 500498

Website: <http://www.comasalcamo.it>



CONITCOOP Scrl

Via Decorati al Valor Civile 15, MILANO (MI)

Tel: +39 02 730425

Fax: +39 02 70123757

Email: conitcoop@tiscalinet.it

COOP ITALIA

Via del Lavoro 6/8, 40033 Casalecchio di

Reno (BO)

Website: www.e-coop.it



COOP ADRIATICA scarl

Via Villanova, 29/7, 40055 Castenaso (BO)

Tel: +39 051 6041301

Fax: +39 051 6053658:

COOP CENTRO ITALIA scarl

Località Pucciareffi, 06 100 Castiglion del Lago (PG)

Tel: +39 075 965671

Fax: +39 075 9656796

COOP CONSUMATORI NORDEST scarl

Via Ragazzi del'99, 42010 Reggio Emilia (RE)

Tel.: +39 0522 516666

Fax: +39 0522 514782

COOP ESTENSE scarl

Via Virgilio 20, 41100 Freto (MO)

Tel: +39 059 892111

Fax: +39 059 848654

COOP LIGURIA scarl

Via Val Lerone 303, Arenzano (GE)

Tel: +39 010 91391

Fax: +39 010 9139226

COOP LOMBARDIA scarl

Viale Famagosta 75, 20142 Milano (MI)

Tel: +39 02 895931

Fax: +39 02 8461639

Website: www.cooplombardia.it

Email: infocoop@cooplombardia.it

UNICOOP TIRRENO scarl ex COOP TOSCANA LAZIO scarl

Ss Aurella Km 237, 57020 Vignale Riotorto (LI)

Tel: +39 0565 24111 / +39 0565 24280

Fax: +39 0565 24213 / +39 0565 24233

Website: www.cooptoscanalazio.it

E-mail: cooptlsg@etruscan.li.it

GRUPPO UNICOOP FIRENZE

Via Santa Reparata 43, 50129 Firenze (FI)

Tel: +39 055 47801

Fax: +39 055 474889

Website: www.coopfirenze.it

CORALIS S.c.r.l.

Via Gustavo Fara 20, 20124 Milano (MI)
Tel: +39 02 676428211
Fax: +39 02 67387946
Website: www.coralisconsortile.it



CONAD Soc. Coop.
Via Michelino 59, 40127 Bologna (BO)
Tel: +39 051 508 111
Fax: +39 051 508 414
Website: www.conad.it



CONAD ADRIATICO scarl
Via Manzoni 14, Frazione Stella 63030 Monsampolo del Tronto (AP)
Tel: +39 0735 7071
Fax: +39 0735 707282

CONAD CEDI PUGLIA scarl
Sp Giovinazzo km 0,8, 70032 Bitonto (BA)
Tel: +39 080 3715611
Fax: +39 080 3744349

CONAD CENTRO NORD scarl
Via Kennedy 5, 42040 Campegine (RE)
Tel: +39 0522 905111
Fax: +39 0522 905222

CONAD MEDITERRANEO scarl
Zona industriale Aversa Nord, 81032 Camerino (CE)
Tel: +39 0818 159111
Fax: +39 0818 159202

CONAD ROMAGNA-MARCHE scarl
Via dei Mercanti 3, 47100 Forlì
Tel: +39 0543 722100
Fax: +39 0543 725317

CONAD SICILIA scarl
Sp Sorda Sampieri 238, 97015 Modica (RG)
Tel: +39 0932 767111
Fax: +39 0932 779031

CONAD DEL TIRRENO scarl / Conalec
Zona Industriale Sant'Agostino, Via Fonda 4, 51100 Pistoia
Tel: +39 0573 9201

Crai Cooperativa
Centro Direzionale Milano 2
Palazzo Canova, Via F.lli Cervi, 20090 Segrate (MI)
Tel: +39 02 210891
Fax: +39 02 21080401

Website: www.crai-supermercati.it

Consorzio Despar Italia

Via Cristoni 82, 40033 - Casalecchio di Reno (BO)

Tel +39 051 6118020

Fax +39 051 6118040

despar@desparcentrale.it

Website: www.desparitalia.it



Esselunga S.p.A.

via Giambologna 1, 20096 Limito di Pioltello (MI)

Tel: +39 02 923671

Fax: +39 02 9267202

Website: www.esselunga.it



EUROSPIN ITALIA S.p.A.

Via Campalto, 3/d, 37036

San Martino B.A. (VERONA)

Tel: +39 045 8782222

Fax: +39 045 8782333

Website: www.eurospin.it



FINIPER S.p.A.

Via Savonarola, 43

Montebello della Battaglia, PV 27054

Tel: +39 0383 894511

Fax: +39 0383 892257

Website: www.iper.it



CONSORZIO C3

Via Cappellini 11, 20124 MILANO (MI)

Tel: +39 02 66987341

Fax : +39 02 66987152

Website: <http://public.citre.com>



Gda Group Spa

Zona Industriale

Loc. Sant'Antuono SP 352 Km 0,6

84035 Polla (SA)

Tel: +39 0975 3313453

Fax: +39 0975 331316



Il Gigante

Via Campo dei Fiori, 2
47122 Forlì (FC)
Tel: +39 0543 721023
Website: www.ilgigante.it



INTERDIS

S. Cons. p. A.

Via Lomellina 10, 20133 Milano (MI)
Tel: +39 02 752961
Fax: +39 02 75296504
Website: www.interdis.it



Gruppo Lombardini . SEFIM Spa

Via Provinciale 80,

24044 Dalmine (BG)
Tel: +39 035 4320111
Fax: +39 035 370273
Website:
www.lombardiniholding.it



Mediamarket S.p.a.

Via Giuseppe Fanin 40, 40127 Bologna (BO)
Tel: +39 051 6379111



Metro Italia Cash And Carry Spa

V. Donatori Del Sangue, SNC
46010 Curtatone
Tel.: +39 0376 7531
Website: www.metro.it



GRUPPO PAM S.p.A.

Venezia, San Marco 5278
Website: www.gruppopam.it



Pescar Group

Via Taranto Statte, 74010 Taranto (TA)
Website: www.pascar.it



SAI Società Cooperativa

Milanofiori, Strada 6 Palazzo N-
ingresso 3
20089 Rozzano (MI)
Tel: +39 02 8930791
Fax: +39 02 893079215
Website: www.supermercatisai.it



SELEX Gruppo Commerciale srl
Via C. Colombo 51, 20090 Trezzano sul Naviglio
(Mi)
Tel: +39 02 484571
Fax: +39 02 48457700
Email: centrale@selexgc.it
Website: www.selexgc.it



Supercentro S.p.A.
SS. 172 Martina Franca C.da Tacconi
74100 Taranto (TA)
Tel: +39 099 4727
Fax: +39 099 4730109
Website: www.supercentro.it



Sigma Soc. Coop
Via Paolo Nanni Costa 30, 40133 Bologna
(BO)
Tel: +39 051 64 28 511
Fax: +39 051 64 28 500
<http://www.supersigma.com>



SINTESI srl
Via G. Galilei 29, 35035 Mestrino (PD)
Tel: +39 049.9002759
Fax: +39 049.9003086

SISA S.P.A.
CENTERGROSS
40050 FUNO DI ARGELATO (BO)
Tel. +39.051.6635511
Fax +39.051.6646334
Website: www.sisaspa.com



Gruppo Standa/Billa A.G.



- Via Postumia 3, 35010 Carmignano di Brenta (PD) – Tel: +39 049 9423440-444
 - Via dei Missaglia 97, Milano (MI) – Tel: +39 02 89331
- Website: www.billa.it

GRUPPO SUN scarl

Palazzo A/1, Strada 4 Centro Direzionale Milanofiori
20090 Assago (MI)
Tel: +39 02 8244000
Fax: +39 02 89200756