

INTEGRATED REPORT 2014

POCKET-SIZE ABSTRACT



Aspiag Service S.r.l.
Despar Nordest

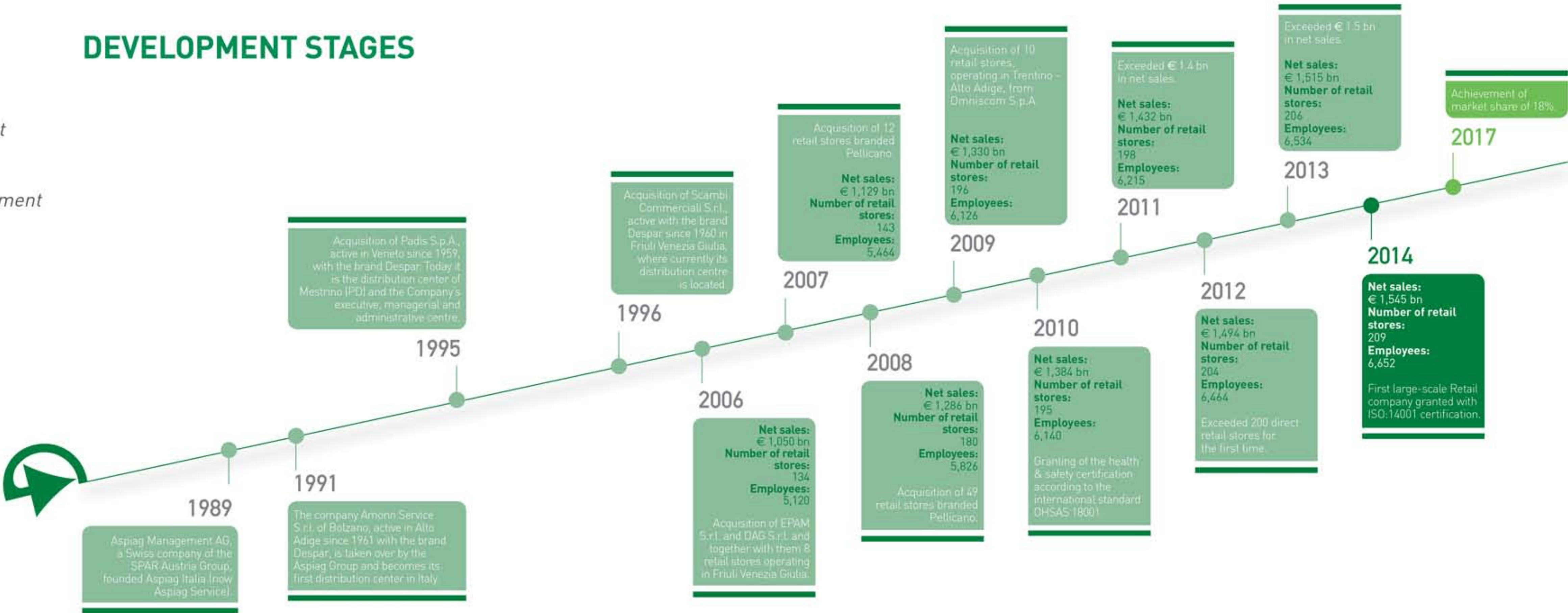
2014 HIGHLIGHTS



"2014 was a decidedly dynamic year: any result obtained was the result of shrewd investments and the intense commitment of all our employees."

Rudolf Staudinger
PRESIDENT

DEVELOPMENT STAGES



OUR MISSION

«At Despar Nordest, in pursuing profit objectives we are focused on service quality, enhancing customers and employees as people, protecting their health and respecting the environment.»



THE COMPANY VALUES

«The Code of Ethics states the Company's values and provides a guide to our activities. We are all called to promote its awareness and to ensure the adherence to it.»

Guiding our daily actions:

- Loyalty, honesty, responsibility, moral integrity and mutual respect;
- Collaboration, team spirit, active listening and trust, professionalism and reliability;
- Creativity and innovation, passion and enthusiasm;
- Attention to customers, product quality, services offered and responses to new needs;
- Commitment to the environment, territory and local communities;
- Responsible, shared and sustainable long term value creation for all stakeholders.

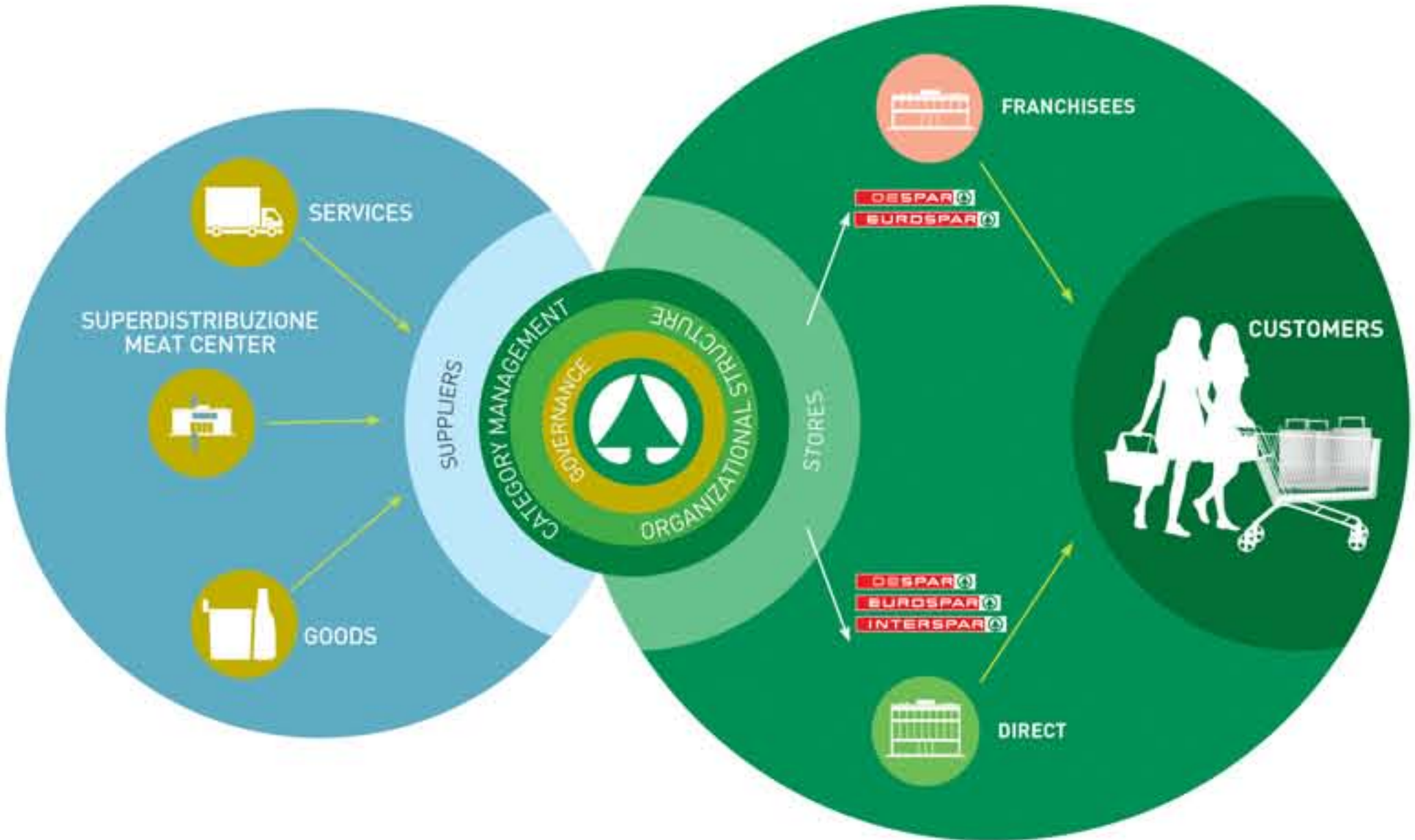
This cultural and value system, which permeates the entire Integrated Report, inspires company behaviours and decision-making and develops belonging feeling and shared identity.

THE BUSINESS MODEL

At Aspiag Service we manage supermarkets focused on food and we organize the purchase of consumer goods from suppliers (branded and non-branded industry) to be retailed in our stores and to our franchise clients.

Our business model is based on two channels:

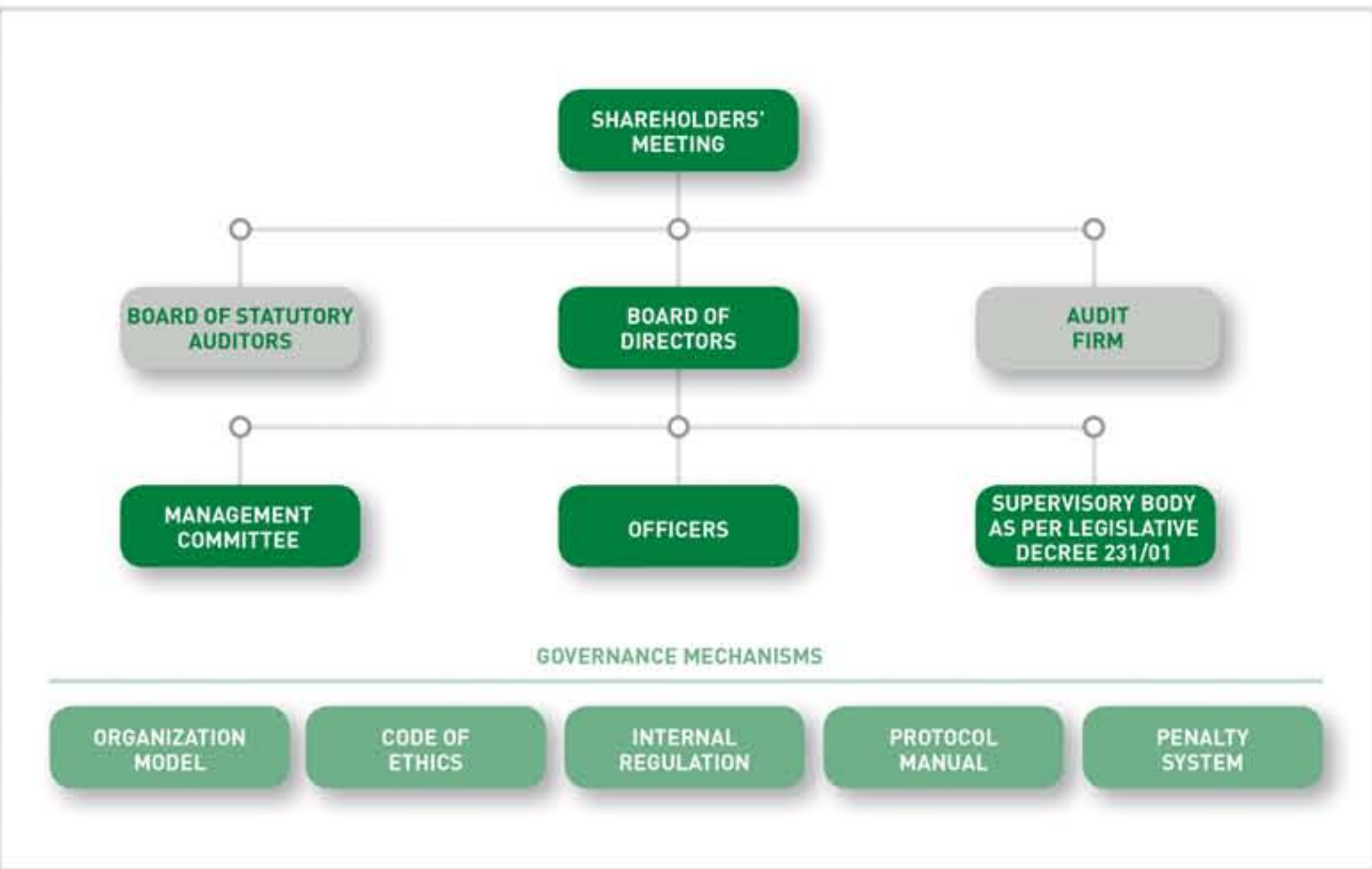
- direct management of 209 stores (branded Despar, Eurospar and Interspar), for which we are responsible for the entire supply chain and all the retail structure;
- management through franchising of 346 retail stores (Despar and Eurospar franchisees) to which, by contract, we wholesale goods and provide services.



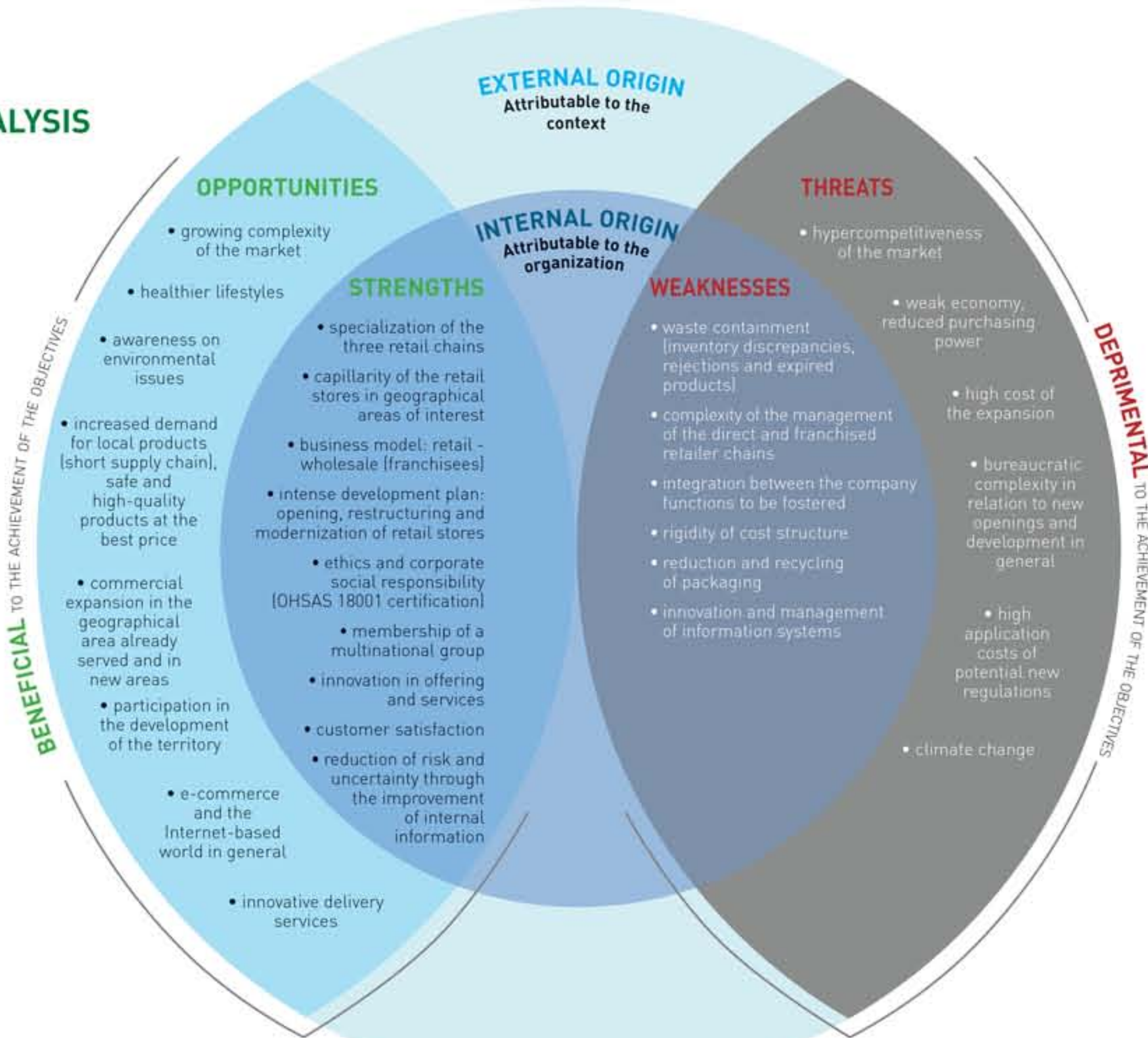
THE GOVERNANCE SYSTEM

Balanced and efficient operation of the governance bodies is a fundamental driver for achieving multiple closely connected objectives, such as:

- implementation of the company mission, ensuring equilibrium between the expectations of shareholders and other stakeholders;
- planning and achievement of the strategic goals;
- stakeholders' monitoring;
- maximization of opportunities and risk mitigation.



SWOT ANALYSIS



GEOGRAPHICAL MARKET OF REFERENCE AND STRUCTURE OF THE OFFERING



209
RETAIL
STORES

- DESPAR** Neighbourhood / City Store (100-800 m²)
- EUROSPAR** Neighbourhood / City Store (801-2,499 m²)
- INTERSPAR** Superstore (2,500-3,999 m²) Hyperstore (4,000-6,000 m²)

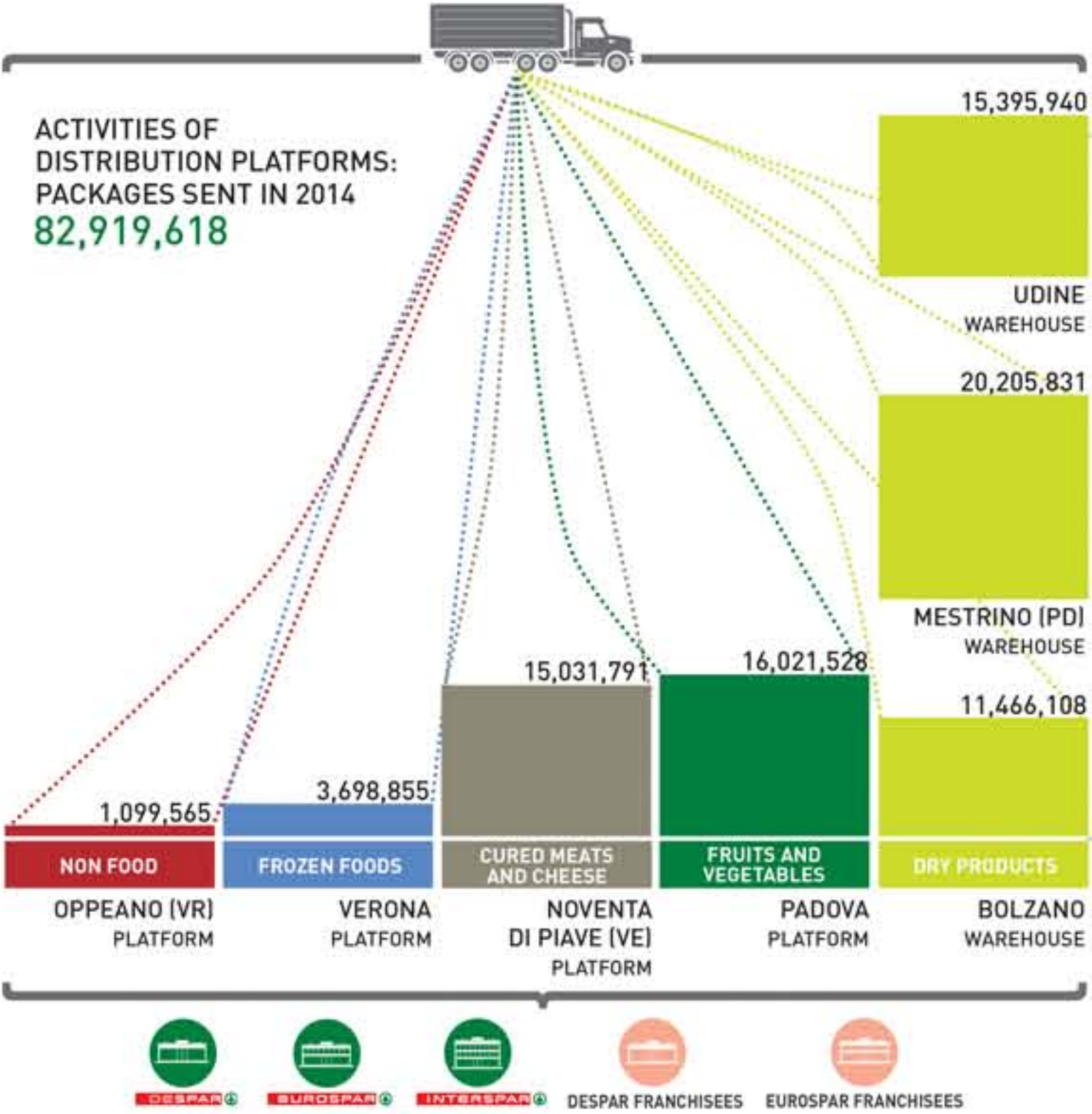
STAKEHOLDERS, COMMUNICATION CHANNELS AND DIALOGUE

In conducting our business we daily come into contact with multiple stakeholders, who are the beneficiaries of numerous systematic activities of engagement conducted in perspective of continuous improvement.



| STAKEHOLDER ENGAGEMENT INITIATIVES | | |
|------------------------------------|--|--|
| STAKEHOLDER | COMMUNICATION CHANNELS | |
| Final consumers | market surveys, customer satisfaction surveys, web surveys | |
| Franchisees | periodic meetings, training programmes, periodic visits of the distribution channel responsables | |
| Suppliers | meetings with category managers, marketing plans | |
| Employees | company's climate survey, "InDespar" house organ, company meetings | |
| Banks | periodic meetings, evaluation questionnaires, press conference | |
| Collectivity | radio, magazines, newspapers, web, TV | |
| Union organizations | periodic meetings (company collective contracts) with coordination bodies | |
| Trade associations | Federdistribuzione | |

THE PLATFORMS



The Aspiag Service's distribution system optimizes the logistic flows of goods, while carrying out quality controls and screenings of each phase of the process, in order to ensure product's freshness and safety and the regularity of supply to the stores on a daily basis.

MATERIALITY MATRIX OF OBJECTIVES



THE VALUE CREATION PROCESS



In carrying out its activities, the Company generates, absorbs and transforms a complex series of capitals which “collaborate” in an interconnected manner, thanks to the organizational structure, in order to substantiate to the value creation processes.

The value creation process is a cycle where capitals - increased, reduced, transferred through the activities and the company’s outputs - at the end of the period become the capitals available for the business model in the subsequent period.

THE DYNAMIC SYSTEM OF THE STRATEGIC OBJECTIVES FOR VALUE CREATION

INCREASE IN MARKET SHARE

Increasing the market share represents a fundamental and necessary strategic objective, as it allows not only to enhance the company’s presence and brand awareness, but also to reduce fixed costs, to rationalize and optimize investments, and more generally to improve economic and financial performances.

To achieve this principal strategic objective, our business revolves around the following five functional and ancillary objectives:

- Generation of financial resources
- New openings and restructurings
- Customer satisfaction
- Enhancement of employees
- Attention to the environment and the territory

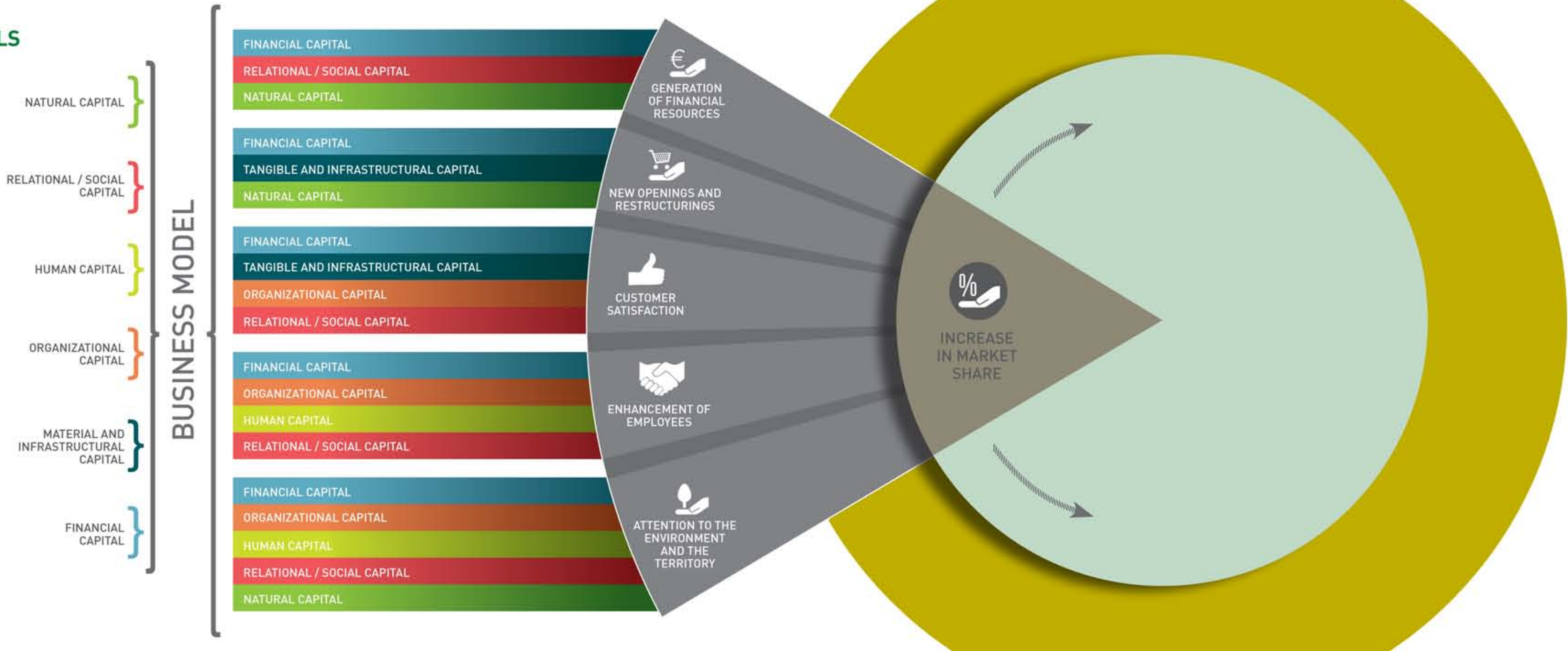
Each strategic objective is marked by a specific graphic icon to facilitate its recognition and is used to connect performance indicators, the type of capitals used and strategic objectives. These icons take on the colour of the capital influenced.

STRATEGIC OBJECTIVES AND COMPANY CAPITALS

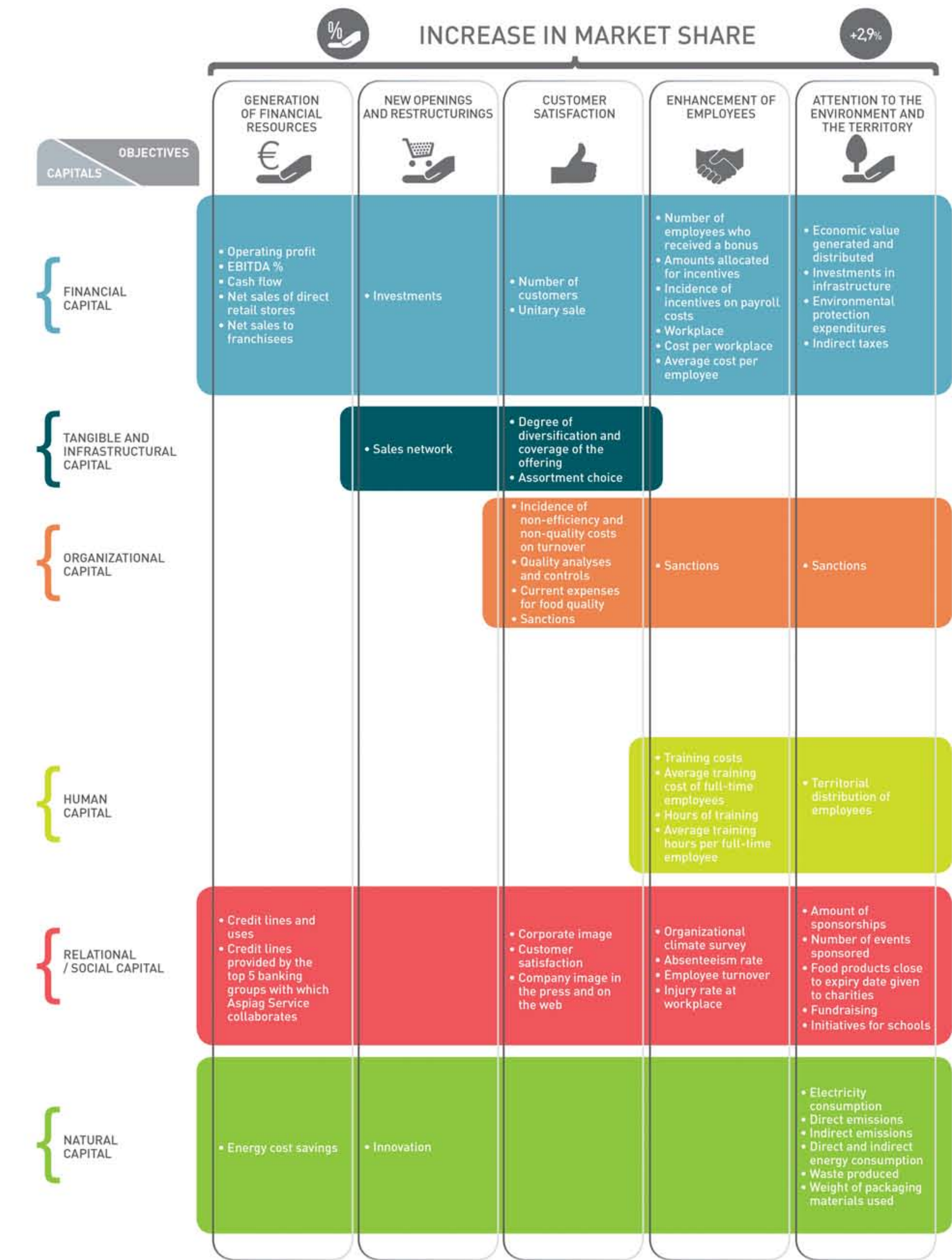
It’s here adopted a multi-dimensional view of performance that allows to disclose the story of the Company’s value creation.

The Company uses its own resources and modifies them consistently with its strategy and business model, offering dynamic results over time and shaping its value creation process: the abovesaid resources, the capitals owned, are different from each other but “collaborate” in an interconnected way due to the organizational structure implemented to give substance to the process involved.

This vision is synthetically represented in the chart which expresses the relationship between the business model, the contributions of the various capitals (each identified by its own colour) and the fundamental strategical objectives.

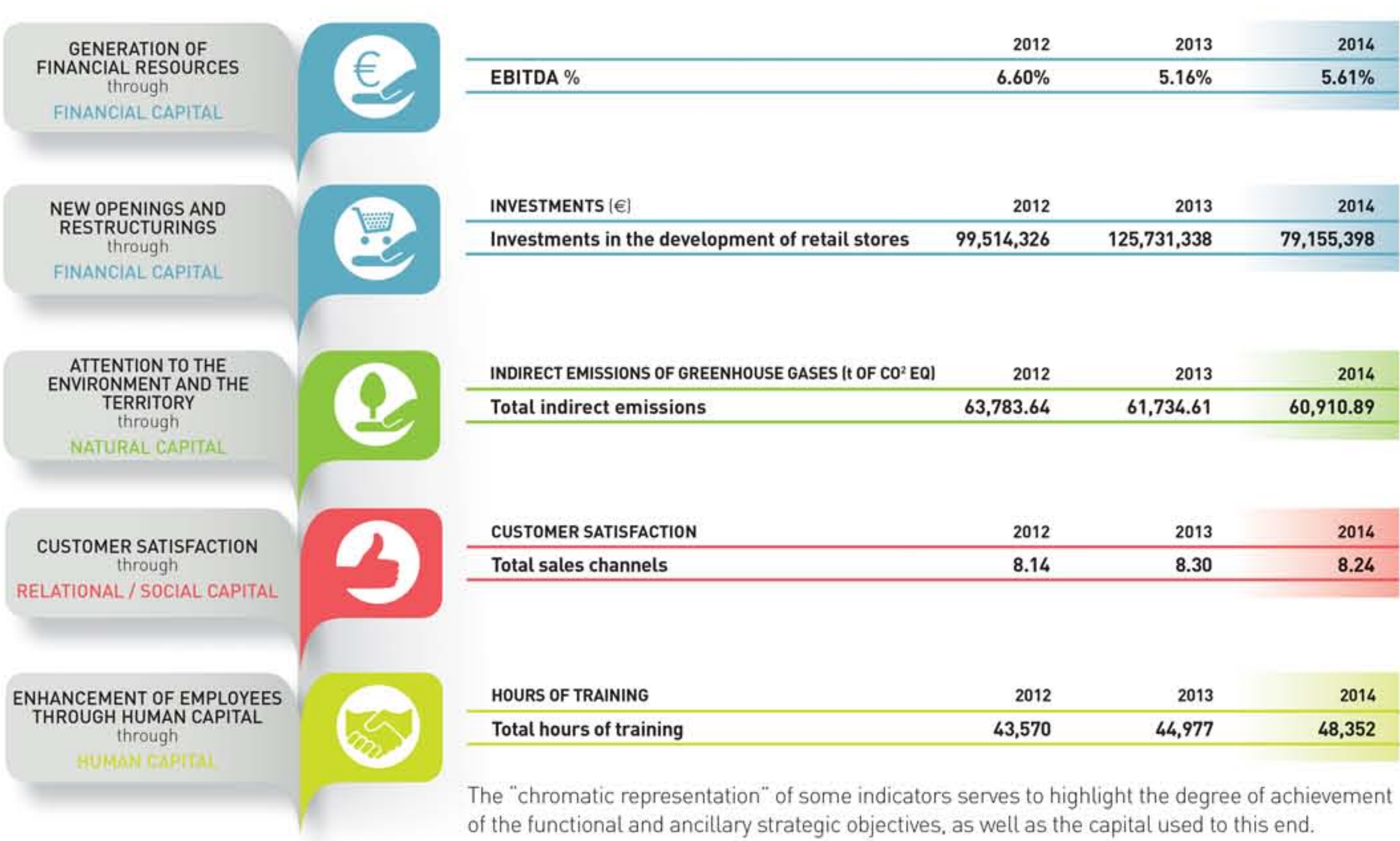


CONNECTIVITY MATRIX



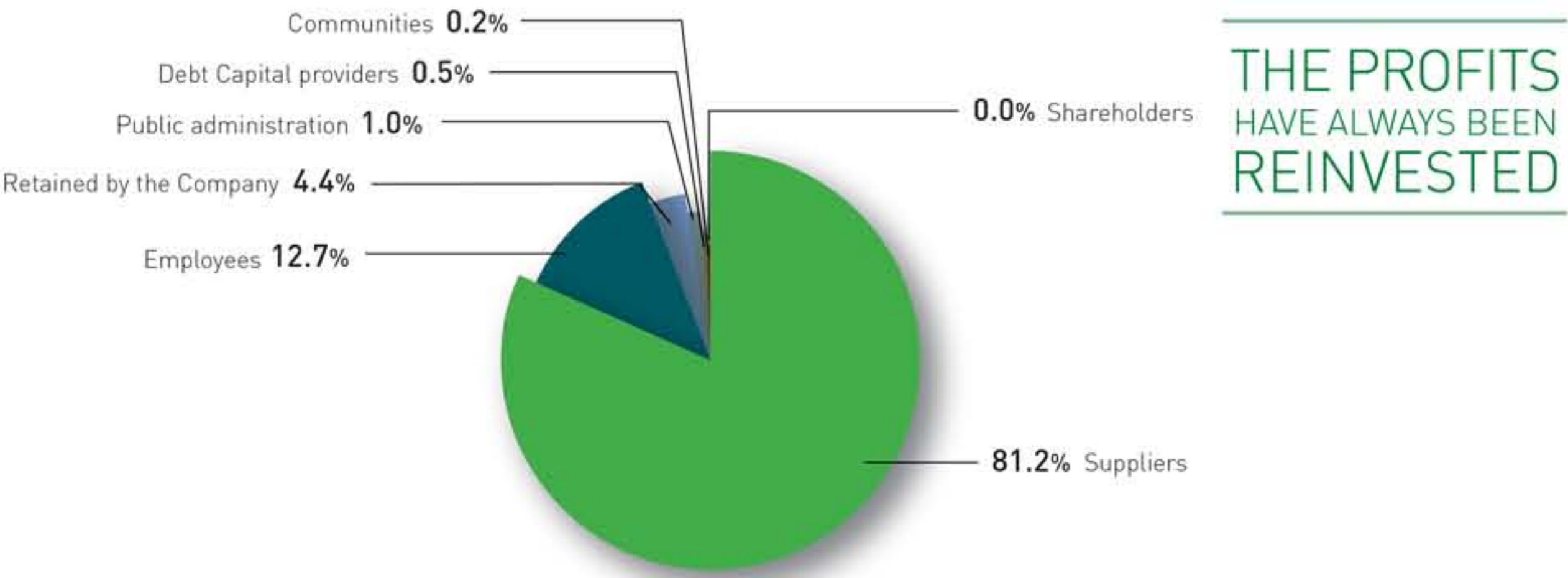
The detailed indicators are positioned within the matrix in order to highlight the connectivity with both the objectives and the capitals used. The overall trend of these five functional and ancillary objectives explains the achievement of the principal objective, that is the increase in the market share.

PERFORMANCE OVERVIEW



ECONOMIC VALUE DISTRIBUTED IN 2014

The chance to contribute to sustainable development starts necessarily from achieving commercial success.



IN 2015...





“Our Integrated Report is expression of a new company culture and goes in the direction of overcoming the lack of balance between information available to the company’s management and what is communicated to the stakeholders, without any fear of publicly disclosing information that could provide advantage to competitors.”

Raffaele Trivellato

CFO

THE TRANSPARENCY OF QUALITY,
THE QUALITY OF VALUE,
THE VALUE OF TRANSPARENCY



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