



PRESS RELEASE

Industry VIPs Speak at 50th CIES Summit

"Flying high in the face of Competition"

Paris, France, 16th May 2006

From 21st - 23rd June 2006, 19 CEOs and Chairmen will address the leaders of the international food business in Paris, on the occasion of the 50th CIES World Food Business Summit.

Claude Hauser, the actual Chairman of CIES and of Swiss retailer Migros, put it as follows. *"Some of the leading names in our business have laid the foundations for renewed growth. Everyone knows that competition is intense, growth is fleeting and consumption is erratic. Yet we now see companies adapting to today's market conditions. After reviewing store and product portfolios, pricing and costs, many retailers and manufacturers have re-emerged stronger and more in step with consumers".*

Compelling content at the Summit 2006

1. Competition in food retailing today

- **Luc Vandavelde** and **Roger Deromedi** will each give a global, strategic perspective on today's competitive context. **Carrefour** and **Kraft** are two of the biggest global names in the food retail sector and both companies are in the midst of major strategic changes.

2. Leadership and transforming an organisation

- **Neville Isdell** is two years' into his transformation of **The Coca-Cola Company**. His period so far as CEO has seen Coca-Cola raise volume growth, supported by rapid expansion in water and energy drinks, including the recent acquisition of Apollinaris in Germany.
- **Anders Moberg** has guided **Ahold** through a period of heavy restructuring. He has overseen the divestment of 3 billion euros in non-core assets, overhauled US Foodservice, reorganised Ahold's US retail division amid intense competition, and reinforced Albert Heijn's leading position in the Netherlands through aggressive price-cutting.
- **Patrick Cescau** has led an overhaul of **Unilever's** product portfolio and marketing. He has divested non-core assets like the European frozen-food business, and stepped up

marketing investment in priority brands like Dove (health & beauty) and Lipton (tea drinks).

3. Managing relentless global competition

- **JC Decaux**, the outdoor advertising group and world leader in street furniture, illustrates the intensity of global competition: the company has to fight for its business by winning contracts from public authorities. **Jean-Charles Decaux** will present the group's strategy in three main areas:
 - **Innovation** as a major lever for being competitive and differentiated
 - **Sustainable development** as an integral part of company strategy
 - Deploying a unique business model **worldwide**

4. Growth through innovation or acquisition?

- **Procter & Gamble** and **Danone** have each enjoyed stellar growth in recent years, despite fierce competition in the grocery sector.
 - Under **A.G. Lafley**, P&G has expanded rapidly through headline acquisitions like Clairol, Wella and Gillette, and through major investment in innovation, including many ideas from outside the company. P&G has also shifted its focus towards the developing world, and is investing heavily in products adapted to emerging markets.
 - Under **Franck Riboud**, Danone has focused on three core businesses – fresh dairy products, water and biscuits – becoming the world leader in the first. The company has successfully adapted its products to consumer health trends, supported by intensive scientific research. Danone is also an increasingly international business, with Spain overtaking France as its biggest market last year, and nearly 40% of group sales coming from outside Europe.

5. Differentiation in action

- **Printemps** is seeking to reinvigorate the department store amid relentless multi-channel competition in retailing. **Laurence Danon** has raised profitability by leading a shift towards premium brands – one of the strengths of the PPR group, the owner of Gucci –, abandoning less profitable categories, and cutting back on certain promotions.
- Under **Serge Papin**, **Systeme U** has succeeded in raising sales and market share in the fiercely competitive French grocery sector. The national cooperative of independent retailers has notably invested heavily in private label. This has been supported by improved logistics and purchasing, including its recent membership of European buying group EMD.

6. Sustaining success as a global leader

- As the world's largest retailer, **Wal-Mart** faces a unique challenge in meeting expectations from all stakeholders. After an unprecedented engagement with stakeholders, the company has launched a range of initiatives covering areas like environment and employment. On the financial side, Wal-Mart is seeking to maintain growth by shaking up its marketing, assortment and store formats, while also increasing its international activities.

- **Jean-Paul Agon** will present his vision for the continued growth of **L'Oréal**. He has just taken over leadership of the world's largest cosmetics manufacturer, and The Summit will be his first opportunity to address together the leaders of the global food business.
7. **The changing face of shopping – different time, different place, different need**
- **McKinsey** will present for the first time the results of their study “**How half the world shops**”. Over the last two years, McKinsey's Retail Practice has been researching the mainstream customer segments of the largest developing markets – literally half the world's population! This comprehensive research programme has ranged from customer interviews, shopper diary studies and home visits to large-scale quantitative research surveys in **Brazil, China, India, Mexico and Russia**.
 - **Nokia**, the world's largest mobile phone manufacturer, will discuss the potential for mobile shopping in the context of changing consumer behaviour.
 - **Food Lion**, a division of Delhaize Group, competes in one of the toughest grocery markets in the world – the US Southeast. Under **Rick Anicetti**, the company has maintained growth by raising efficiency and store investments. It has notably remodelled scores of Food Lion stores and developed new formats Bloom, Sweetbay and Bottom Dollar in order to address current consumer needs.
 - Like Printemps, **Le Bon Marché** is attempting to renovate a classic format amid fierce multi-channel competition. Under **Philippe de Beauvoir**, the retailer has combined the history of this Parisian landmark with creativity and cutting-edge fashion from today.
8. **Flying high, flying far, flying further**
- **Raymond Ackermann's** presentation, “Back to the future of food retail”, will celebrate the key learnings from the rise of modern retailing. As founder of South African retailer **Pick 'n Pay** and a past chairman of **CIES**, Ray Ackerman is particularly well-placed to consider the evolution of retailing and to draw out lessons that will help the industry into the future.
 - At a time when companies are queuing up to invest in China's phenomenal economy, **Christian Morel's** story offers a fascinating lesson in what it takes to adapt and make a profit in China. He will share his experience as the pioneer foreign investor who set up telecoms company Shanghai Bell.

Any questions?

Anne Malbrancq
+33 1 44 69 99 20
a.malbrancq@ciesnet.com