



San Juan, Puerto Rico, October 2013

To whom it may concern:

**Supermercados Econo**, is the fastest growing supermarket chain in Puerto Rico, which was formed by independent partners who have created a successful business model since 1970. Today Supermercados Econo has over 62 stores and over 7,000 employees throughout the island.

From April to October 2013 we developed along with London Consulting Group (LCG) a project called "P.A.C.T.O.", in which we addressed the Purchasing, Warehousing, Distribution and Customer Service areas which are part of the headquarters.

The project's main objective was to increase the level of service to customers and optimize the level of product inventory, while achieving operating efficiencies in the Order Flow process.

Some of the results obtained during the project are as follows:

- A decrease in the demand of goods not stocked from 10.3% to 5.1%.
- A decrease in lost sales of private brands and control labels from 3.6% to 3.3%.
- A 25% increase in dry picking productivity.
- An 8% increase in cold picking productivity.
- A 7% decrease in cost per packet for dry cargo.
- A 12% decrease in cost per packet for cold cargo.

The economic benefits achieved show a return on investment at the end of the project with an annual projection of 3.6 to 1.

Additionally, I would like to highlight **LONDON's** methodology for the development of this project, which has allowed us to have a better synchronization of the operations, strong planning tools and an effective indicator's system. **ECONO's** personnel is committed to the new work systems, which allows us to see that we have a strong and solid platform to face the growth challenges of our organization.

Therefore, we hereby highly recommend the services provided by **LONDON CONSULTING GROUP** and we confirm our complete satisfaction with the results obtained.

Sincerely,

A handwritten signature in black ink, appearing to read "Heriberto Tofres".

**Heriberto Tofres**

**Executive President**